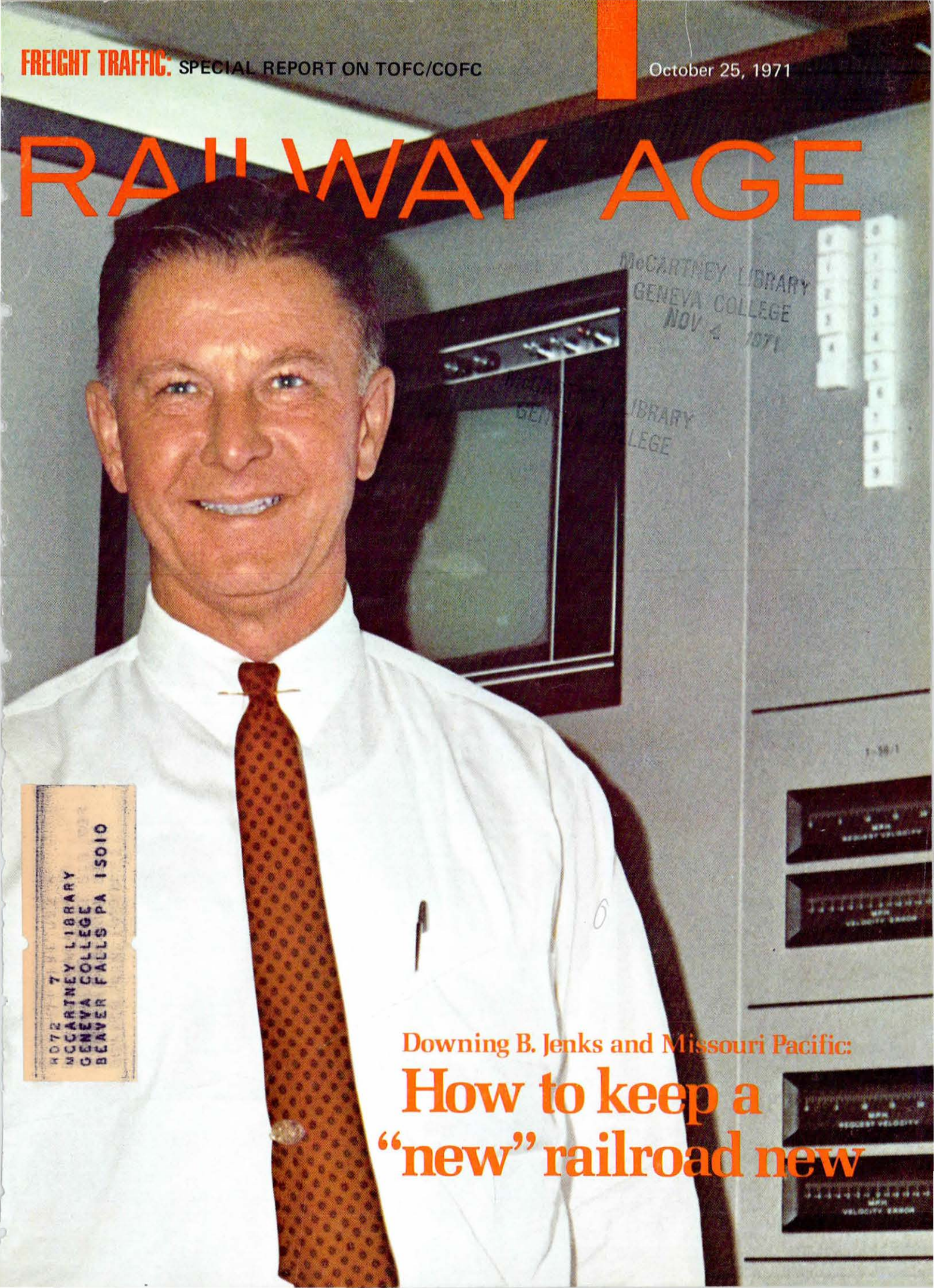
FREIGHT TRAFFIC: SPECIAL REPORT ON TOFC/COFC

October 25, 1971

RAILWAY AGE



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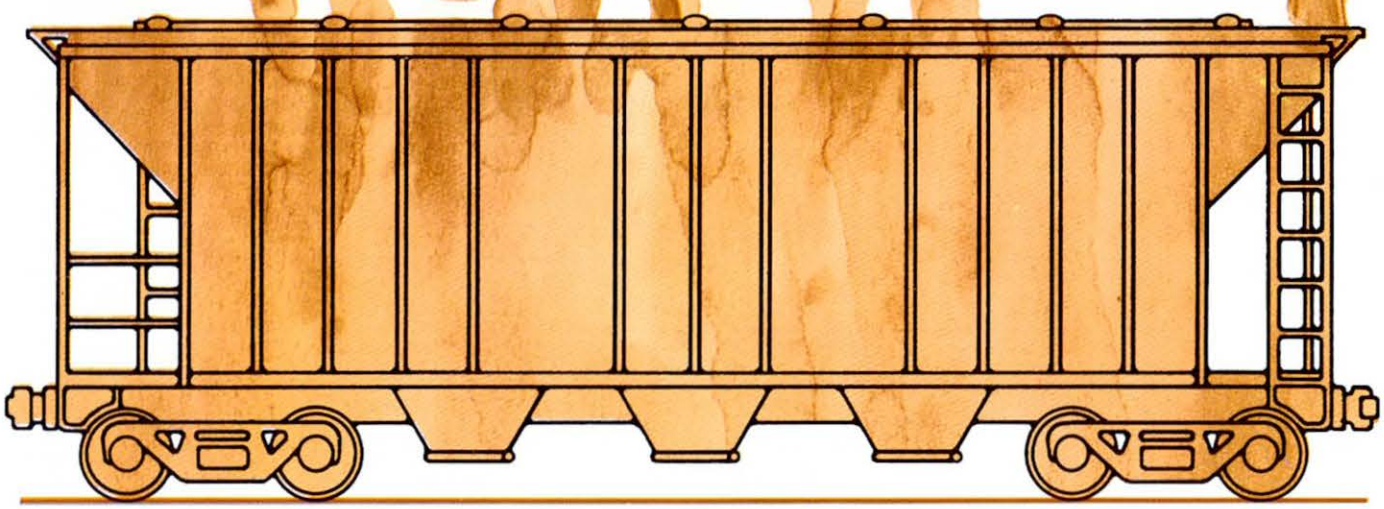

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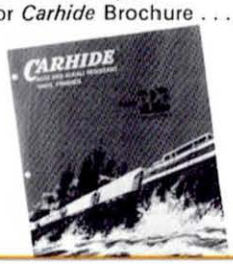

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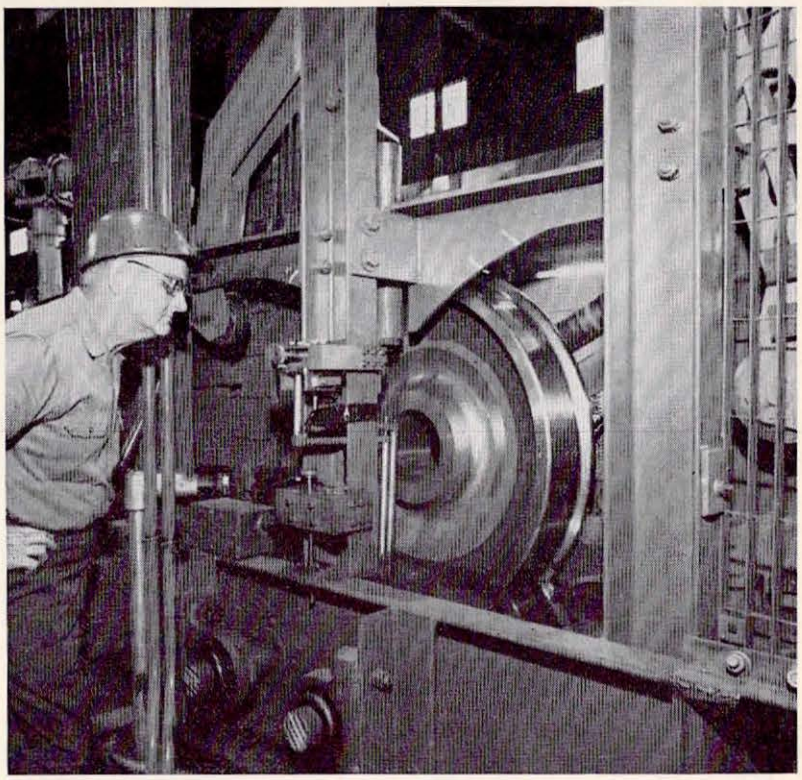

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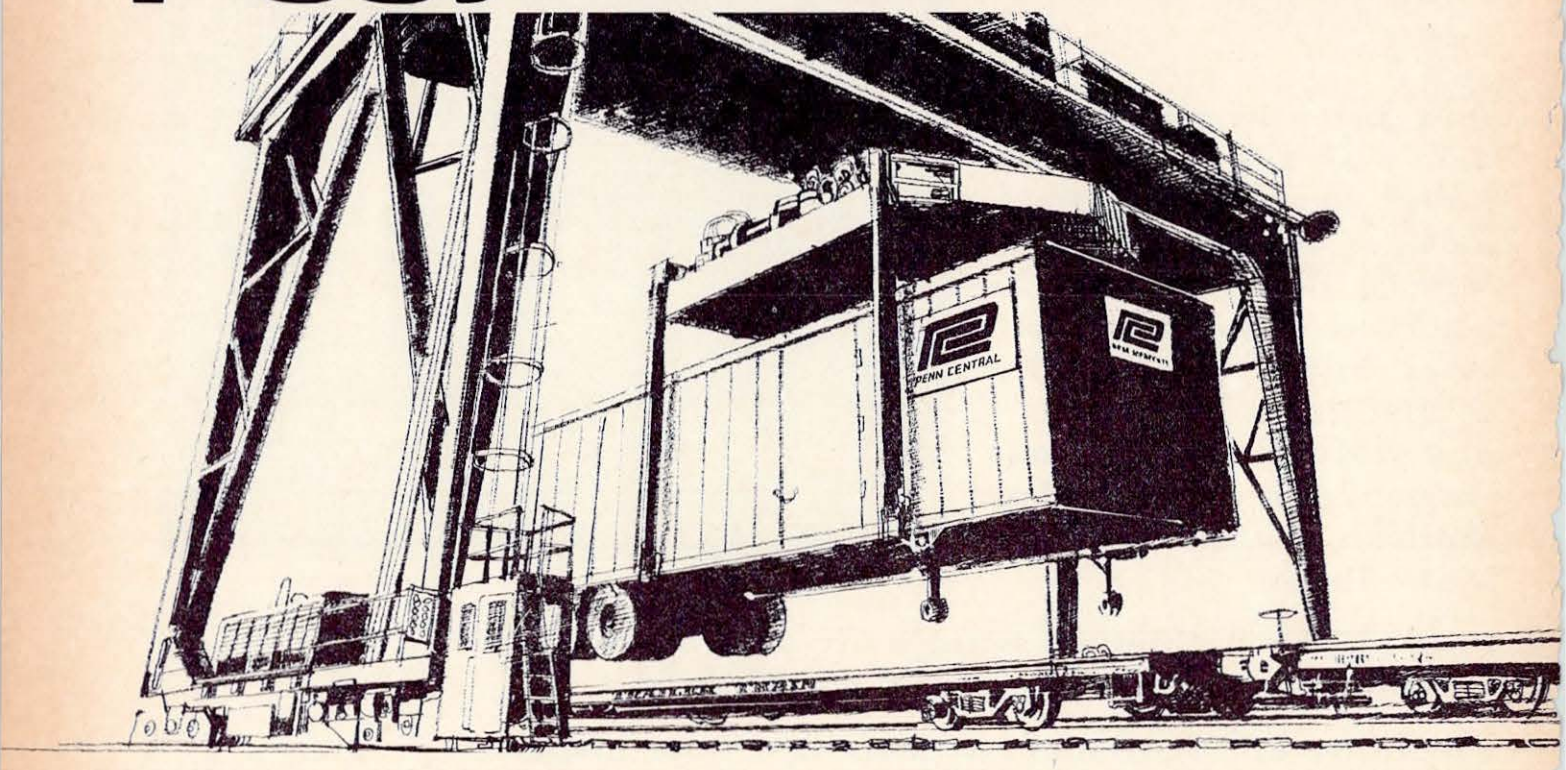

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Inside

LUTHER MILLER

MR. JENKS IN SHIRTSLEEVES

Most of the presidential portraits which appear from time to time on our front covers are rather carefully posed. This week's was not. It is an on-the-job study of Missouri Pacific's president, snapped as he participated in the dedication of MoPac's new Centennial Yard at Fort Worth. Downing Jenks was in shirtsleeves that day for a good reason: it was 104 degrees in the shade.

Actually, far from being a shirtsleeve railroader in the "folksy" sense of that term, Mr. Jenks is a rather formal man; some might even say formidable. And formidable is not such a bad description if you take Webster's definition No. 3—"tending to inspire awe or wonder." What the Jenks team has accomplished at MoPac in the last decade is indeed awesome and wondrous. A railroad that was 23 years in reorganization, the last time around, MoPac is today widely regarded as one of the finest in the world.

For this, Mr. Jenks gives much credit to the 23,000 men and women who help him to run the MoPac. "The secret is getting good people, and we've got them," he told Senior Editor Gus Welty during a recent interview (p. 26).

But part of the secret also, says one man who works closely with Downing Jenks, is having a president "who has almost total knowledge of all facets of railroading; whose unending objective is to maintain every part of every property he operates in absolutely first-class condition; and who will settle for nothing less in every other phase of the operation."

SENATOR HARTKE, MEET THE MOPAC

It is an accident, but a happy one, that our interview with the senior Senator from Indiana, Vance Hartke, appears in the pages immediately following the MoPac story (p. 36).

Senator Hartke is now conducting hearings on three freight-car bills, and will soon open hearings on the Surface Transportation Act of 1971. What he thinks of railroads, and their potential to serve the nation, is clearly of great importance. Senator Hartke, a vigorous critic of the Penn Central in its pre-Bill Moore days, knows all too well what bad railroading can do. It is our hope that he will study our MoPac story carefully, to get the other side of the picture.

IS PIGGYBACK REALLY ALL THAT BAD?

Everybody knows what's wrong with piggyback. Rates are too high, service is too poor, say most of the shippers responding to Railway Age's October Traffic Poll (p. 50). But much is clearly *right* with piggyback, otherwise shippers would not have given 909,755 carloads of piggyback traffic to the railroads in this year's first 40 weeks. Why piggyback is still a favorite with many shippers is explored by Associate Editor Bob Bartley in his report beginning on p. 40.

We put it all together!

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RAILWAY AGE

October 25, 1971

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COVER

Willard Schultz, a Missouri Pacific photographer, took this week's cover photo of MP President Downing Jenks during the dedication of Centennial Yard at Fort Worth, Tex. Centennial is a digital-computer-operated facility.

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Short and Significant

AMTRAK HEARINGS SET FOR OCT. 26

DOT Secretary John A. Volpe on Oct. 18 asked Congress for $170 million in extra funds for Amtrak. Senate Surface Transportation Subcommittee Chairman Vance Hartke immediately scheduled a hearing Oct. 26 on the request. Amtrak said it would have a deficit of $152.3 million in the year ending next June 30, after revenues of $149.2 million and expenditures of $301.5 million. Without the new funding, Amtrak said it would have to dip into its $100-million in Federally guaranteed loans which is earmarked for equipment expenditure.

STAGGERS UNHAPPY WITH "WEST VIRGINIAN"

Sharper than a serpent's tooth is an ungrateful Congressman: Amtrak officials are smarting from the remarks of Chairman Harley O. Staggers (D-W.Va.) of the House Interstate and Foreign Commerce Committee. Having inaugurated daily Parkersburg, W. Va., to Washington, D. C., service on Sept. 7 to placate Staggers, Amtrak brass were stunned to hear the venerable Chairman say Amtrak "was doomed to die" if it handled all runs like the new "West Virginian." Incensed at statistics showing little usage on the run, Staggers said, "They are going to have to change the schedule before anyone is going to use it."

PERMANENT HIGH-SPEED PROGRAM SOUGHT

DOT asked Congress Oct. 13 to establish FRA's high-speed ground transportation program on a permanent basis with no annual appropriations limitation. Private industry, because of uncertainty caused by statutory termination dates, has never participated in high speed projects to the fullest extent possible, said DOT Under Secretary James M. Beggs in making the request. Congress most likely will extend the program for three years, however, with an annual appropriation of $100 million beginning in fiscal 1973.

WHERE DOES PHASE II LEAVE RATES?

Further rail freight rate increases, either general or selective, will have to clear the Price Commission, President Nixon's price policing arm, after the present wage-price freeze ends Nov. 13, as well as ICC. Uncertainty about this Phase II control added to the lack of agreement among rail rate officials at their last meeting Sept. 30 on proposed year-end rate increases. Any rate increases presumably also will have to fall within President Nixon's announced goal of a 2% to 3% annual inflation rate.

ST. LOUIS-AREA CLUBS CONSOLIDATE

Three St. Louis-area railroad organizations are now one—the St. Louis Railway Club, into which are consolidated the Mississippi Valley Maintenance of Way Club, the Diesel Club and the St. Louis Car Association. President of the new organization is J. G. German, assistant vice president-engineering, Missouri Pacific.

SCL, L&N IN POWER-POOLING AGREEMENT

Seaboard Coast Line and Louisville & Nashville have entered a power-pooling agreement to inaugurate new run-through service between Jacksonville, Fla., and Nashville, Tenn. The result, says a Seaboard spokesman, will be one day's faster delivery between Florida and the Midwest and Northwest.

AUTO TRAIN DELAYS STARTUP, HIKES PRICE

Auto Train is now scheduled to begin Virginia-to-Florida service Dec. 6, having been unable to meet its original startup date of Oct. 1 due to equipment-acquisition and refurbishing delays. One-way fare for an autoload of four passengers will be $190, an increase of $10 over the fare planned earlier. There will be a surcharge of $15 for each additional passenger.

NORTH AMERICAN ACQUIRES LEASING FIRM

North American Car, now a subsidiary of Flying Tiger Corp., has completed its acquisition of National Equipment Rental, Ltd., from American Export Industries, Inc., for $21 million in cash and notes. Part of the transaction involved North American's acquisition of Canberra Management Corp., which managed National.

AEROTRAIN BACKERS SUFFER REVERSE

Backers of the Aerotrain—France's linear-induction-motor-powered tracked air-cushion vehicle—have lost their fight for a 30-mile Aerotrain line linking Orly Airport and the future Paris airport at Roissy, with a connection at Joinville with the new regional "super-subway" to Paris. Instead, the French government has decided on a more modest, 15-mile installation between the new town of Cergy-Pontoise and the Paris suburb of La Defense. Nonetheless, Aerotrain's supporters are pleased that a route decision has finally been made. While the French government was mulling over the route controversy, the Paris press expressed the fear that the U.S. would adapt the French idea and steal a technological march.

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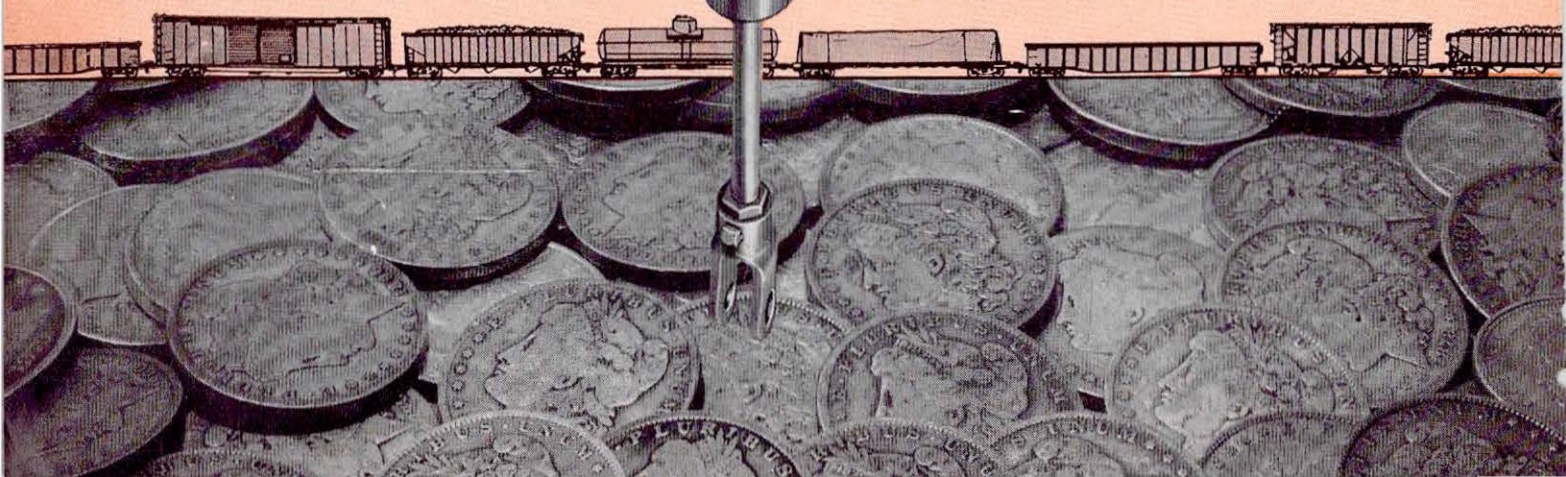


RAILWAY AGE
NEWS

Seaboard Coast Line marries MATE units to road locomotives

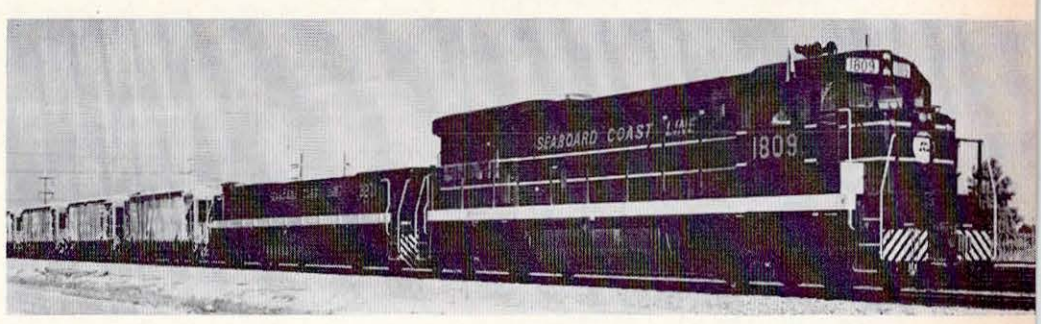
Ten MATE (Motors for Additional Tractive Effort) units are going into service on Seaboard Coast Line. All are to be utilized on phosphate trains in the central Florida mining area. These companion units, without diesel engines, will increase the utilization and flexibility of the high-horsepower General Electric locomotives which SCL has been acquiring.

The MATE unit is coupled with a 3600-hp four-axle road locomotive to utilize fully available power for starting heavy-tonnage trains, as well as for moving them at speeds under 30 mph. The diesel engine on the lead unit supplies current for the traction motors of the MATE, as well as for its own motors. As train speed increases, power to the MATE unit is automatically reduced with full power then being utilized by the motors of the lead locomotive.

The MATE has a pair of two-axle trucks with conventional GE 752 traction motors. It is ballasted to weigh the same as the lead unit to operate without wheel slip. Doubling the number of traction motors available for power transmission at low speeds eliminates the often unnecessary application and ineffective use of an extra locomotive unit to achieve only added tractive effort.

W. Thomas Rice, SCL chairman and chief executive officer, has explained that "our people, together with General Electric engineers, have brought their technological resources to bear on the development of a new concept—matching the MATE with a high-performance locomotive such as our U36B. By equipping SCL with increased tractive effort capabilities, the ten MATEs, ordered for $965,000, will increase locomotive utilization and efficiency, thus helping to lower operating and maintenance expenses. Greater efficiency in our operations in turn means improved service for our shippers and receivers."

A spokesman for GE's Locomotive Products Department has estimated that elimination of an extra locomotive unit, through use of a MATE motorized trailer, on drag applications can produce a 40% reduction in maintenance costs. The diesel engine, traction alternator and supporting locomotive



systems are not necessary on MATE since it receives its traction current from the coupled locomotive.

Locomotives to be used with MATE require some extra equipment such as added contractors, an additional step of transition, a larger auxiliary generator, trainline to operate the traction-motor blower on MATE, and power cables for the traction motors.

In addition to its motor blower, MATE has air brake equipment, wheel-slip detection, sanding system, lights and safety appliances. It could also be fitted with dynamic braking.

While trailing units without prime movers have been used extensively in heavy switching applications, SCL is now making a large-scale extension of the concept to heavy road service.

Tax credit approval expected in November

The Senate very likely will have passed the tax credit reinstatement, probably at the 7% level approved by the House, in late November. That approval most probably will be the last Congressional action on a rail-backed measure this year.

Both Houses of Congress plan to recess by Thanksgiving and not return until next January, thereby pushing over into the second session of the 92nd Congress all bills, except emergency and certain non-transportation measures already scheduled for floor action.

However, hearings on the Surface Transportation Act of 1971 will begin before the Senate Surface Transportation Committee Nov. 4. Senate action on it, or any refinement or compromise version, could then come early next year.

The 92nd Congress's second session will be much more abbreviated than that of the 91st Congress, which rushed through important rail bills—Amtrak and the Emergency Loan Guarantee Act to aid Penn Central—in its closing days. This is because of the 1972 election. Congress will be clamoring to shut down in summer 1972 so members can get on the hustings.

The Thanksgiving recess date does not bode well for early action on the Administration's long-awaited rail aid package or deregulation bills (RA, July 12, p. 23), which apparently and as usual are in states of revision.

Trans Union Corp. President J. W. Van Gorkom asked the Senate Finance Committee Oct. 12 to amend the House-passed version of the tax credit reinstatement to help short-term lessors.

Under the House bill, the credit is passed onto the lessee of new rail equipment, namely a railroad.

Gorkom said this was fairly apportioned to the railroad in the case of long-term leases, in which the railroad may be said to have created the demand.

But he said it was not so in the case of short-term leases—five years or less. Using the example of a tank car with a useful life of 25 years but leased for only five years, Gorkom said an artificial situation is created wherein the lessor creates the demand by deciding to take the economic risk for the remaining 20 years of the car's life.

The ACI Scanner

This month, we will complete the installation of an *Entrance-Exit* and *Scanner-Scale* Terminal Control System for the Denver & Rio Grande Western Railroad in their Roper Yard at Salt Lake City.

This important terminal will be completely encompassed by a total of six ACIS Rail Scanners, placed in two clusters, with interface to a coupled-in-motion weight scale. Initially, the Scanner output will be to a local teletype terminal. Plans call for a later date direct polling of the Scanners by the Denver central computer.

Specifically, three ACIS Rail Scanners are being installed at East Roper Yard, two of them covering mainline east and west movements . . . and one located west of the entrance, adjacent to the scale. The other ACIS Scanners will be positioned at West Roper Yard, covering west and eastbound yard leads. Each of the two Scanner clusters will be multiplexed to an ACIS Label Decoding Processor.

All trains entering or departing will be scanned by the ACIS Scanners which provide carrier index conversion output for *inventory control, and interchange and consist verification and preparation.*

The ACIS Scanner associated with the coupled-in-motion scale will output *car initial, number, and gross weight of cars.*

We are confident that this installation will prove a valuable addition to the Rio Grande terminal facilities.

A wide range of interesting ACIS terminal installations are now on line and fully operational across the country. They include systems for *Intra-Yard, Piggyback, Entrance-Exit,* and *Scanner-Scale Systems.*

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Circle 7 on coupon page 47

GE wins contract, Pullman protests

Pullman Inc. went into Federal District Court in Philadelphia Oct. 12 in an attempt to stop the award of a contract for 214 commuter cars to the General Electric Co.

In a taxpayer's action filed against DOT Secretary John A. Volpe, the Southeastern Pennsylvania Transportation Authority (SEPTA), and John C. Kohl, commissioner of the State of New Jersey Department of Transportation, Pullman sought injunctive relief preventing the award of the contract. The suit followed a meeting in Philadelphia on the morning of Oct. 12 during which the SEPTA board voted to award the contract to GE instead of to Pullman's Pullman-Standard Division.

On Oct. 14, Judge D. H. Huyette III denied the request for a temporary restraining order. A hearing was set for Oct. 21 on a request for a preliminary injunction. In a brief filed with the court, SEPTA called the Pullman action "unconscionable."

Pullman told the court that its objections go back to January 1971 when the Federal Urban Mass Transportation Administration, which will pay two-thirds of the cost of the cars, instructed SEPTA to reject the first set of bids. As a result, Pullman said, new bids were asked by SEPTA; and on Aug. 17 (RA, Aug. 30, p. 8) General Electric was the apparent low bidder at a cost which Pullman claims exceeded its own original low bid of $370,000 per car entered on Oct. 16, 1970.

When the initial bid was rejected as "excessive," Pullman said it might bring suit if the contract went to another company.

Pullman contended that "under the terms of the second bidding it submitted the lowest bid that conformed to the new specifications but nevertheless was again denied the contract."

Said Pullman President S. B. Casey, Jr.:

"As a result of the unlawful conduct engaged in by the awarding authorities and others charged in the complaint, Pullman has suffered very substantial injury. While the action filed today [Oct. 12] seeks only injunctive relief, Pullman is also considering appropriate additional legal action to recover the very substantial financial losses. . . . It is inconceivable to us how SEPTA on orders of DOT could throw out the original bids as 'excessive' and then reverse themselves completely by accepting a new bid that is in excess of the prices we offered last October."

"Training of the trainer"

Far too many business firms, including railroads, regard their training departments as "cost centers rather than as profit centers," says Edward M. Pickett, assistant professor of business and management at the University of Wisconsin (Eau Claire campus). "They're wrong to do so," he adds, "because the time spent on instruction of employees has definite production value, and this technical training time is going to become even more valuable as we move on into the '70s."

Prof. Pickett was the featured speaker at a two-and-a-half-day seminar on technical training held in Omaha, Neb., under the sponsorship of the Railway Educational Bureau. Eleven railroads were represented at the seminar: Burlington Northern, Chesapeake & Ohio/Baltimore & Ohio, Milwaukee Road, Illinois Central, Elgin, Joliet & Eastern, Frisco, Reading, Rock Island, MoPac and Union Pacific. Harry W. Wales, BN manager of personnel training, was chairman of the seminar.

Ingram sworn in as FRA chief

FRA Administrator John Ingram's swearing-in Oct. 13 seemed almost anticlimactic, so long had everyone known he had the job. With DOT Secretary John A. Volpe administering the oath, the ceremony in the Secretary's conference room took on the restrainedly festive nature such events have in the capital: a receiving line, coffee and doughnuts.

Secretary Volpe marked the occasion by commenting: "More competition and less transportation regulation are what we need, and the last thing we need is a nationalized railroad system."

Having officially been placed on the payroll, Ingram immediately disappeared for a meeting with Secretary Volpe. Ingram was formerly Illinois Central's marketing vice president.

Among well-wishers in the audience were AAR President Stephen Ailes, American Short Line Railroad Association President Howard Croft, former Acting Administrator Carl V. Lyon, former Administrator A. Scheffer Lang, UMTA Administrator Carlos C. Villarreal, RPI President Nils A. Lennartson, and Amtrak President Roger Lewis.

is theme of Railway Educational Bureau seminar

● **Training's goal: Better performance.** Not only will the demand for technicians increase in the '70s, warned Prof. Pickett, but because of skyrocketing costs of equipment servicing, greater emphasis will have to be placed on providing the type of training which will improve productivity. And, as managements seek this improved performance from employees, the training directors on railroads will have to select their instructors with much greater care. "Training of the trainer" is no less important to employers than is training of new employees or upgrading the skills of older ones, added Prof. Pickett.

The Railway Educational Bureau, the only type of educational center in the world devoted exclusively to improving the skills of railroad mechanical department employees, is doing its utmost to simplify the task of training employees in technical fields. Rather than offer general courses on various technical subjects, says Reid Kenedy, director, "REB is tailoring its courses to meet the specific needs of the individual who is in training. Our home-study courses are highly job-oriented."

● **First, an "acceptable" job.** With few exceptions, businesses can't afford to have an apprentice fully-trained before he moves into the mainstream of work, advised Prof. Pickett. The best thing that can be done (except, perhaps, for someone who is in training to become a parachute packer) is to prepare the trainee to perform an "acceptable" job. This type of training is specialized and job-oriented, he added, and it leaves much of the man's technical polish to be gained on the job. This economic fact of life puts tremendous pressure on training departments to keep themselves streamlined as well as staffed with good technical instructors.

Furthermore, as clearly stressed at the seminar, railroad training departments must not only keep attuned to the times so far as study courses are concerned—they must remain aware of new developments in training aids. TV is one of the audio-visual aids apt to gain much wider use on railroads in the '70s.

● **A clearing house.** REB, which now has 2,750 students enrolled in its home-study courses, was mentioned as a likely clearing house for video tapes that could be used throughout the railroad industry in training programs. REB's Kenedy said that his firm (which, like the Railway Age Group, is owned by Simmons-Boardman Publishing Corp.), has over 600 units of instruction including 50 new ones being added this year, and would not encounter any problems in cataloging and distributing training tapes as part of REB's overall program.

The consensus of the seminar was that some exciting things will be unfolding in the realm of training in the '70s. "You might even see widespread use of computer-assisted training programs in the next 10 to 20 years," Prof. Pickett said.

ICC chief sees merit in Transportation Act of 1971

ICC Chairman George M. Stafford looked at the proposed Surface Transportation Act of 1971 and indicated he liked what he saw.

Stopping short of outright endorsement, Chairman Stafford called the measure "of enormous significance," an "admirable display of statesmanship," and a very "different ball game."

These remarks came Oct. 7 in an address to the Kansas Motor Carriers Association.

ICC will formally comment on the intermodal proposals—jointly endorsed by rails and regulated motor and water carriers and contained in the so-called Hartke-Adams Bill (RA, Aug. 9, p. 11)—next month when hearings begin before the Senate Surface Transportation Subcommittee.

From the tenor of Stafford's speech, however, ICC's stance already seemed pro-Hartke-Adams.

Said the ICC Chairman:

—"The great sport of observing three oxen being gored in the arena of competitive transport is going to be replaced by a harnessing of the oxen to a single legislative plow."

—This is "not a false start" for legislation, "as has been the case with a number of other moves in the past few years."

—There will be enactment of "new laws," the construction of which "will involve as much deep searching among the components of transportation as the original Act to Regulate Commerce and significant revisions to that law, such as the Motor Carrier Act of 1935."

Fertilizer moves in solid trainloads

Norfolk & Western began to move solid trainloads of fertilizer from the South to the Midwest Oct. 14. The first 42-car train, carrying more than 4,000 tons of super phosphate and diammonium phosphate, left Norfolk for Maumee, Ohio, a distribution point.

John R. McMichael, vice president—pricing and marketing for N&W, said a minimum of 28,000 additional tons—seven more trainloads—will move under the plan from the Texas Gulf Sulphur plant at Lee Creek, N.C., to distribution points in Ohio, Illinois, Indiana and Missouri. The plan calls for a minimum annual movement of 32,000 tons, or some 335 cars. The shipments are made in 100-ton covered-hopper cars.

Said McMichael: "We believe the smaller receiver will benefit substantially from this concept. The cars will be fanned out beyond the distribution points in lots of one or more to destinations in the surrounding areas. Because of the trainload volume, the fertilizer also can be economically unloaded and stored at the distribution points for final delivery as required."

Watching Washington

REID BEDDOW

BUNDLES FROM BRITAIN

There's a Paul Revere atmosphere in some rail offices here about the impending visit this week of not only British Rail Chairman Richard Marsh but also BR salesmen who aim at nothing less than selling U. S. rails and Amtrak on BR hardware, knowhow, and services. They are not selling nationalization, contrary to some fears, but they are selling everything else: from BR's Advanced Passenger Train to preserving the environment. The vehicle for this hardsell is Transmark, Ltd., BR subsidiary for export sales, whose chief, Managing Director Brian Helm, has been described as a "Middle Atlantic whiz kid with the right Yorkshire/Bronx accent, old school tie, and brown suede shoes." Helm visited Washington last month to scent out leads, then shot out of town to Sao Paulo, Brazil, to land Transmark a consulting contract. Helm will be back often. When asked if these BR marketing efforts were not a case of bringing coals to Newcastle, a British Embassy commercial attache exclaimed, "Certainly not! We've had a viable intercity passenger service for some while, we have Fastfreight, we have technological research second to none, and we have integrated commuter service as distinct from rapid transit." As an indication of the breadth of BR's sales effort, BR Chairman Marsh will introduce a film on BR's ecology planning at an Oct. 29 showing at the British Embassy.

SHORT LINES

Hearings on the Surface Transportation Act of 1971 will begin before Sen. Vance Hartke's Surface Transportation Subcommittee Nov. 4. Leadoff witnesses will be the modal leaders whose unity is the bill's most startling feature: AAR's Stephen Ailes, ATA's William A. Bresnahan, and WTA's John Creedy . . . The bill's House sponsor, Rep. Brock Adams (D-Wash.), reintroduced STA on Oct. 13 with nine co-sponsors, all members of the House Commerce Committee. The new bill, H. R. 11207, can now be referred directly to the Commerce Committee, instead of Ways and Means, because of House passage of the investment tax credit reinstatement . . . FRA General Counsel Robert L. Kessler has been named FRA's Acting Deputy Administrator . . . Sen. J. Glenn Beall (R-Md.) replaces the late Sen. Winston L. Prouty (R-Vt.) as ranking minority member of the Surface Transportation Subcommittee, not Sen. James B. Pearson (R-Kan.), as erroneously reported . . . Rep. William J. Scherle (R-Iowa) has introduced a bill to require Amtrak to issue passes to retired rail workers. That's the last thing Amtrak wants . . . . Uncle Sam has *de facto* nationalized a railroad. It is the 34-mile Lehigh & New England, which runs between points near Bethlehem, Pa., hauling cement and coal, and returned a $223,000 profit last year. Why? L&NE was 100% owned by Jersey Central, whose L&NE stock was acquired by the Justice Department after CNJ defaulted on a $15-million Federally guaranteed loan. Though the legal picture at present is hazy, dependent on CNJ's proposed abandonment of its Pennsylvania track, Justice wants to divest itself of L&NE as part of CNJ's reorganization.

Grand Trunk Corp. created by CN

Canadian National is restructuring the administration and operation of its U.S. rail subsidiaries under a new company, Grand Trunk Corp., to be based at Detroit. CN describes GTC as a holding company responsible for:

—Grand Trunk Western, operating 946 miles in Michigan, Indiana and Illinois, with international connections at Windsor/Detroit and Sarina/Port Huron.

—Duluth, Winnipeg & Pacific, operating 168 miles in central Minnesota with headquarters at Virginia, Minn.

—Central Vermont, operating 366 miles in five states and Quebec province with headquarters at St. Albans.

R. A. Bandeen, president of GTC (as well as vice president of CN's Great Lakes Region), said the corporate restructuring is designed to give the U.S. operations greater freedom and autonomy in carrying out operating and marketing strategies.

All three properties are strategically located. Grand Trunk Western, Bandeen noted, "is no longer merely a Canadian National feeder line, but now serves in a major way one of the largest manufacturing and producing areas of the United States." DW&P serves a number of major mining and manufacturing industries in Minnesota and is an international link between western Canada and the U.S. Midwest and East. CV provides rail connections between major centers in eastern Canada and the eastern United States.

GTC will maintain a separate and distinct corporate identity, Bandeen said, but the "two-way flow of expertise and information between CN and its U.S. interests will continue." Day-to-day operations of GTC will be in charge of three vice presidents—John H. Burdakin, operations; Donald G. Wooden, corporate planning and finance; and Walter H. Cramer, Jr., marketing.

Petersen named president of AAPTO

Amtrak may have taken over operation of rail passenger service, but the American Association of Passenger Traffic Officers goes rolling right along in its 108th year. AAPTO's new officers for 1971-72 are E. L. Petersen of Santa Fe, president; O. O. Kell of Southern, vice president; and F. E. Rizzuto of Ilinois Central, secretary.

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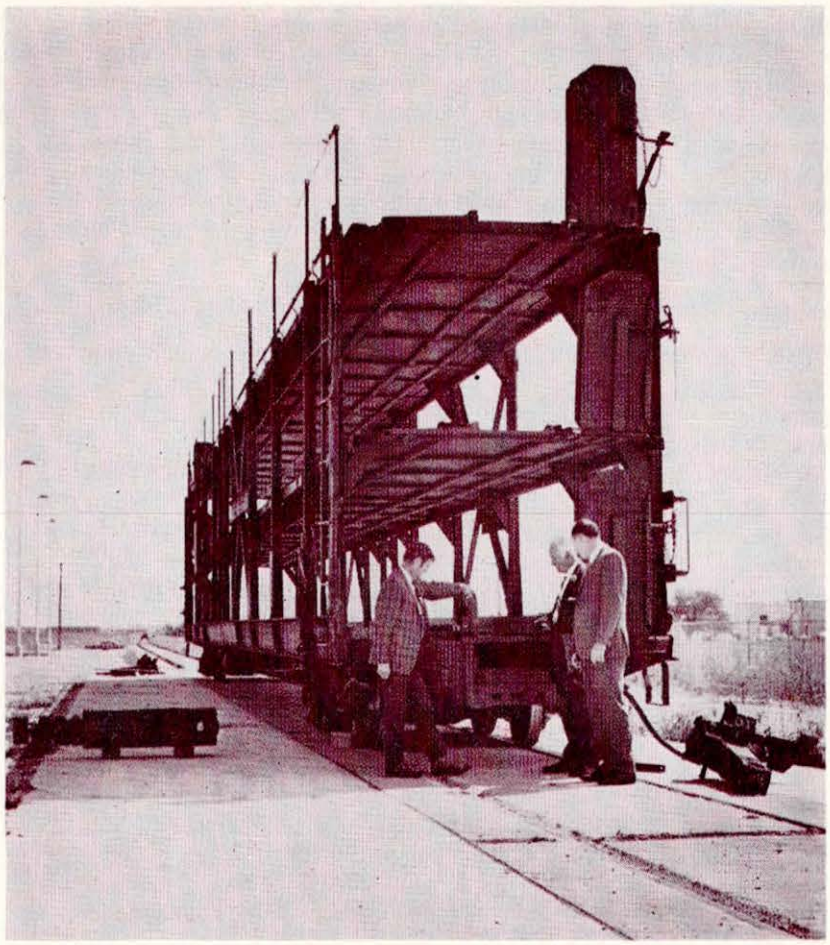

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Lines on Labor

GUS WELTY

IF EVERYBODY HELPS . . .

People at just about every level in rail management and labor will have an opportunity, over the coming weeks and months, to show just how deeply they are dedicated to creating a better industry which produces better service and provides better jobs. First, there is the continuing need to show support for the legislative programs which can improve the industry's operating environment. Second, there is a new opportunity for leaders, in both management and labor, to work for a new and better relationship in the year-and-a-half-plus between now and the next major contract go-round in 1973. Finally, there are opportunities on just about every individual road for operating innovations.

. . . RAILROADS AND RAILROAD EMPLOYEES STAND TO GAIN

For a good part of 1971, railroad people have been doing an excellent job on point 1—making known their support for legislative change. Judging by the volume of mail that has poured in on Capitol Hill, a good number of employees are thinking for themselves—and coming to the conclusion that there is a lot that is right about railroad proposals for change. Rail labor's leaders, however, have been less than enthusiastic —though they have indicated support in principle for ASTRO. One major union coldly advised its members that "this is no time to pull the carriers' chestnuts out of the fire." Another union was more temperate, suggesting that members wait to see what specific proposals came before Congress before taking pen in hand. Well, a good many "specific proposals" have now been introduced and more are coming, and this should take care of the "wait-and-see" reservation. And as for the flat "don't-write" advice, you can hope only that union leadership as well as the rank and file will now realize that fat jobs do not come from a starving industry.

MEANWHILE, BACK IN THE BARGAINING ARENA . . .

Despite the confusion created by the President's wage/price freeze, railroads and rail unions are making progress toward building a lengthy period of peace, so far as national agreements are concerned. It is management's hope that this period can be used as a time for calm discussion of many of the issues that have split management and labor for more than a decade.

On the local level, there is also cause for optimism. To cite just a few indicators: (1) The progress now being made by Illinois Central's JOBS Commission; (2) Chicago & North Western's Commoditrains, and C&NW's ability to reach quick agreement on interdivisional runs; (3) the improving odds on employee purchase of C&NW; and (4) the decision of bankrupt Jersey Central's unions to work with management on improving a desperate situation.

Certainly, all of this is not enough to promote either ecstasy or euphoria. Complications of the wage/price freeze remain to be resolved, and a lot of loose ends remain to be tied in place. But the fact is that for the first time in a long time, carriers and unions have time—time to talk and to listen, without having one crisis on the hump, another in the receiving yard, and two more held outside.

WABCO assails aerospace grants

L. E. Walkley, president of Westinghouse Air Brake (WABCO), a long established supplier to the transportation industry, has voiced a strong objection to what he calls the "Federal government's policy of awarding surface transportation contracts to the 'sick' aerospace industry."

Walkley told the Pittsburgh Chapter of the National Association of Accountants on Oct. 20: "Creative government does not include shifting Federal funds from one pocket to another, taking money out of the hands of the rapid transit industry to bail out a sick aerospace industry."

(At a press conference during the recent Fifth International Conference on Urban Transportation in Pittsburgh, DOT Secretary John A. Volpe said: "When we can we will favor aerospace firms—where we can do so without disruption to other industries." At that time the reaction of established transit suppliers was that they were already suffering from the disruptions of a depressed marketplace.)

Transit interests urged to cooperate

While the Chicago area's vast public transportation network may be the envy of virtually every other metropolitan area in the country, nevertheless it has its share of problems. One of the most critical needs in this densely-populated eight-county area (which includes a portion of northwest Indiana), says N. A. Erbe, representative of Secretary of Transportation John A. Volpe in the Chicago Region, is "a public decision on whether transportation needs and problems should be handled on an area-wide basis, or on a sub-area basis."

Speaking at a meeting which brought together for the first time all the different transit interests in the area, Erbe, a former governor of Iowa, urged a "mutual cooperative effort" as a means of solving the problems. He cited the state mass-transportation program, produced by agreement of the "most intractable organizations of all, the two major political parties," as an example of what can be accomplished through cooperation. There have been several proposals on how the area might adopt a common transit philosophy; however many are regarded as politically unpalatable. Erbe has offered his office as "a go-between."

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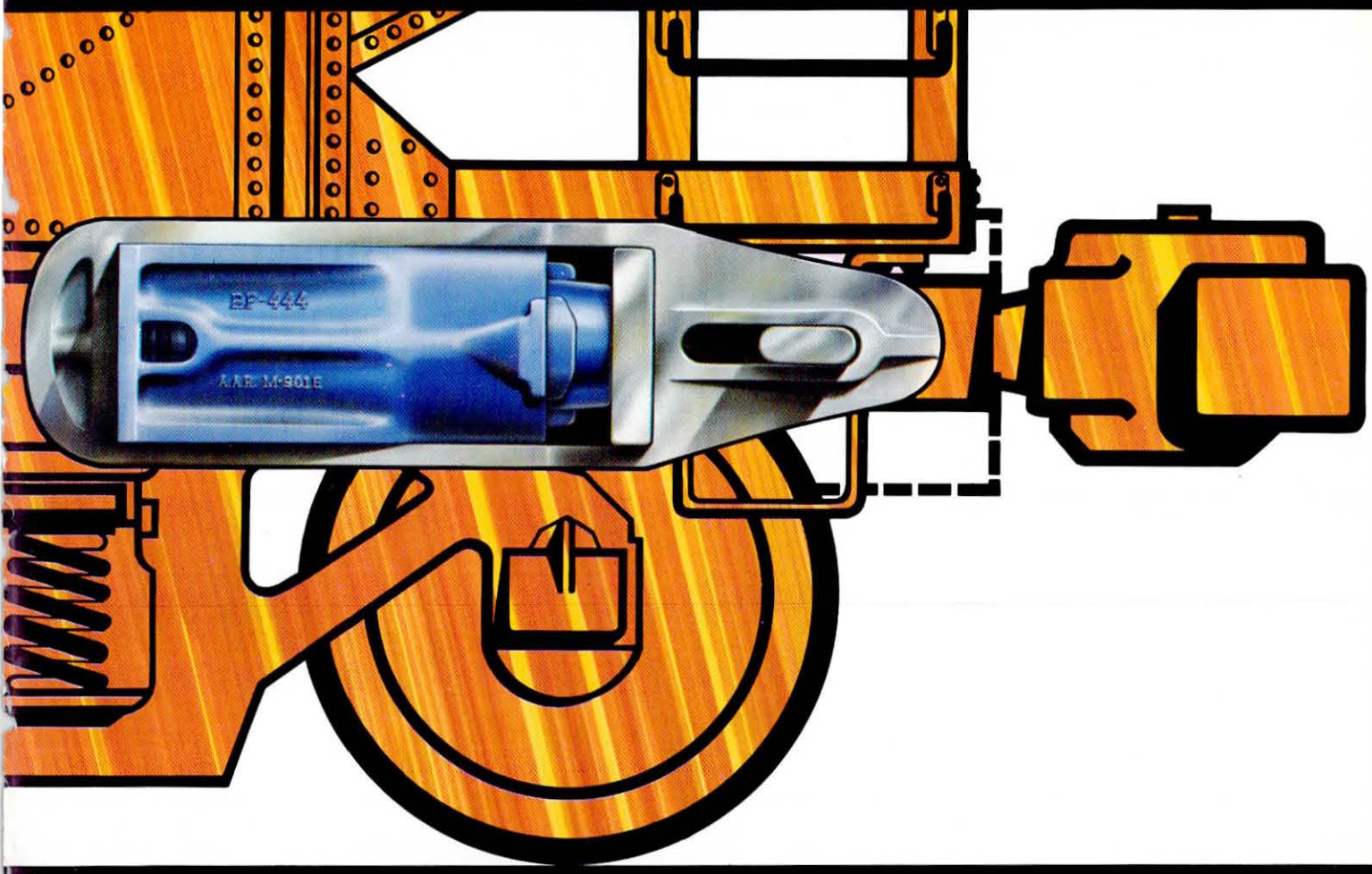

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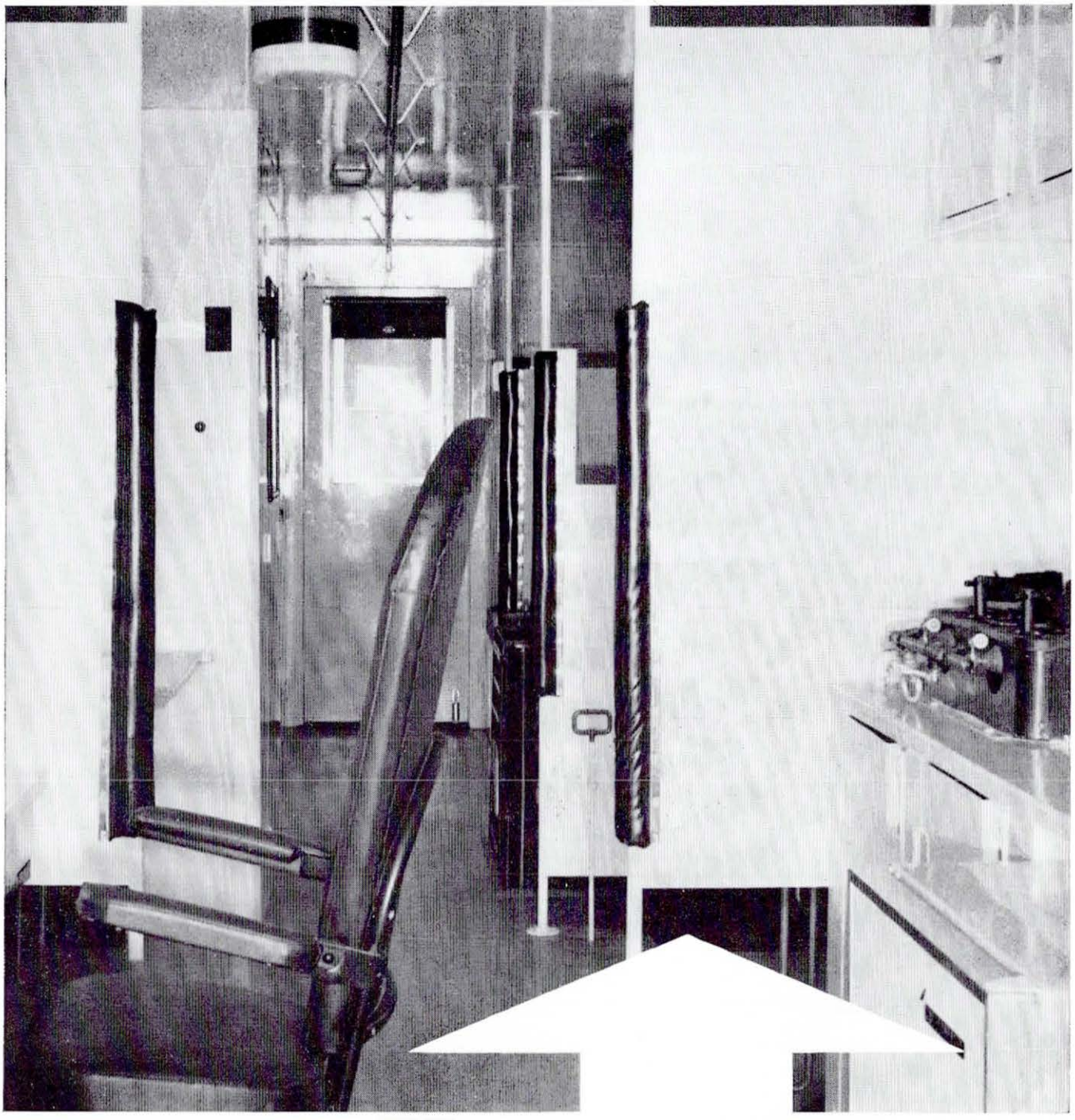

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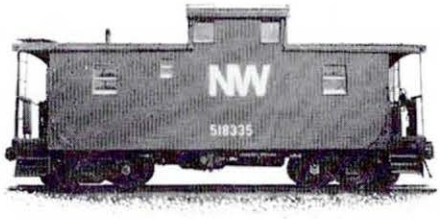

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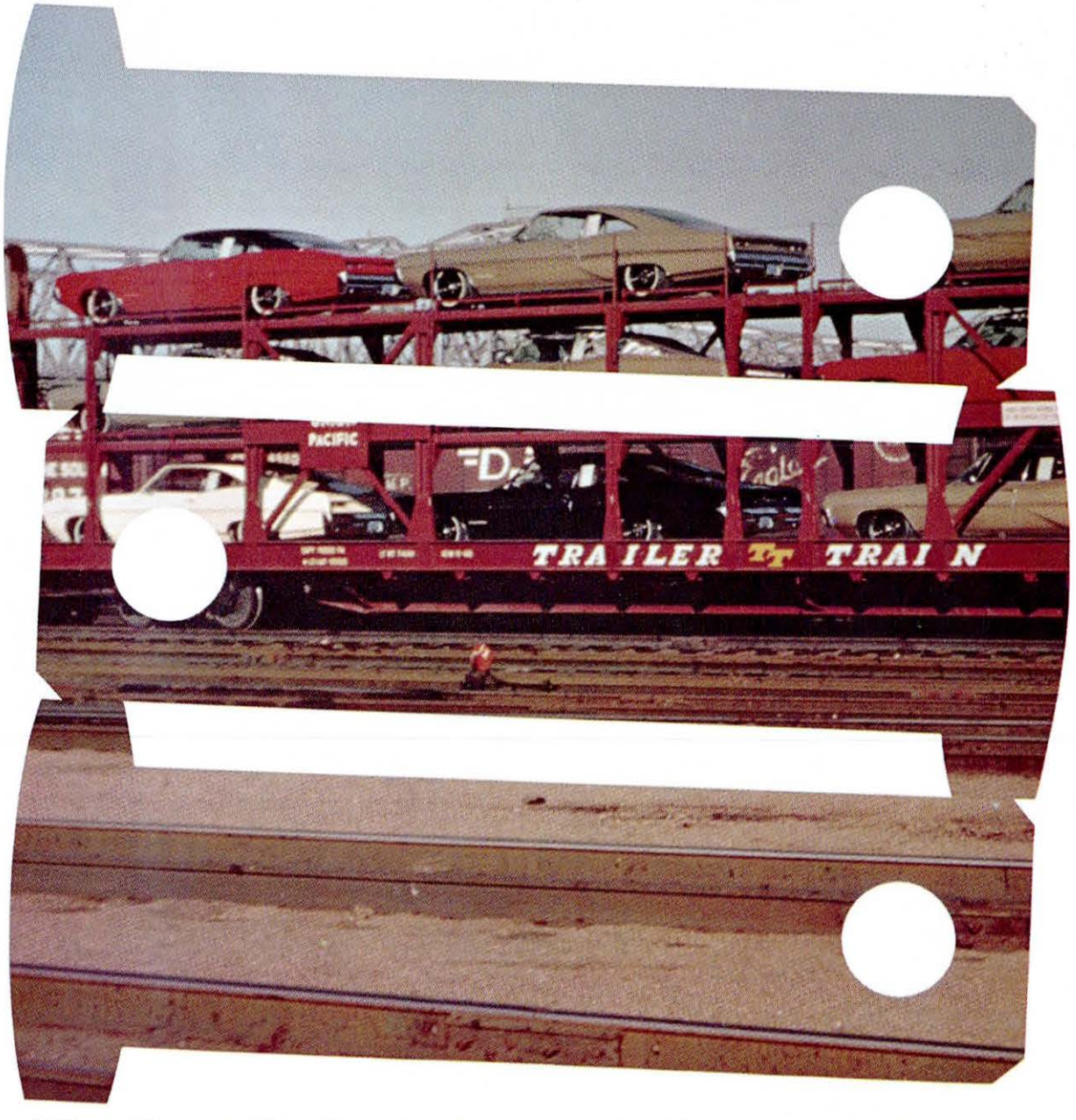

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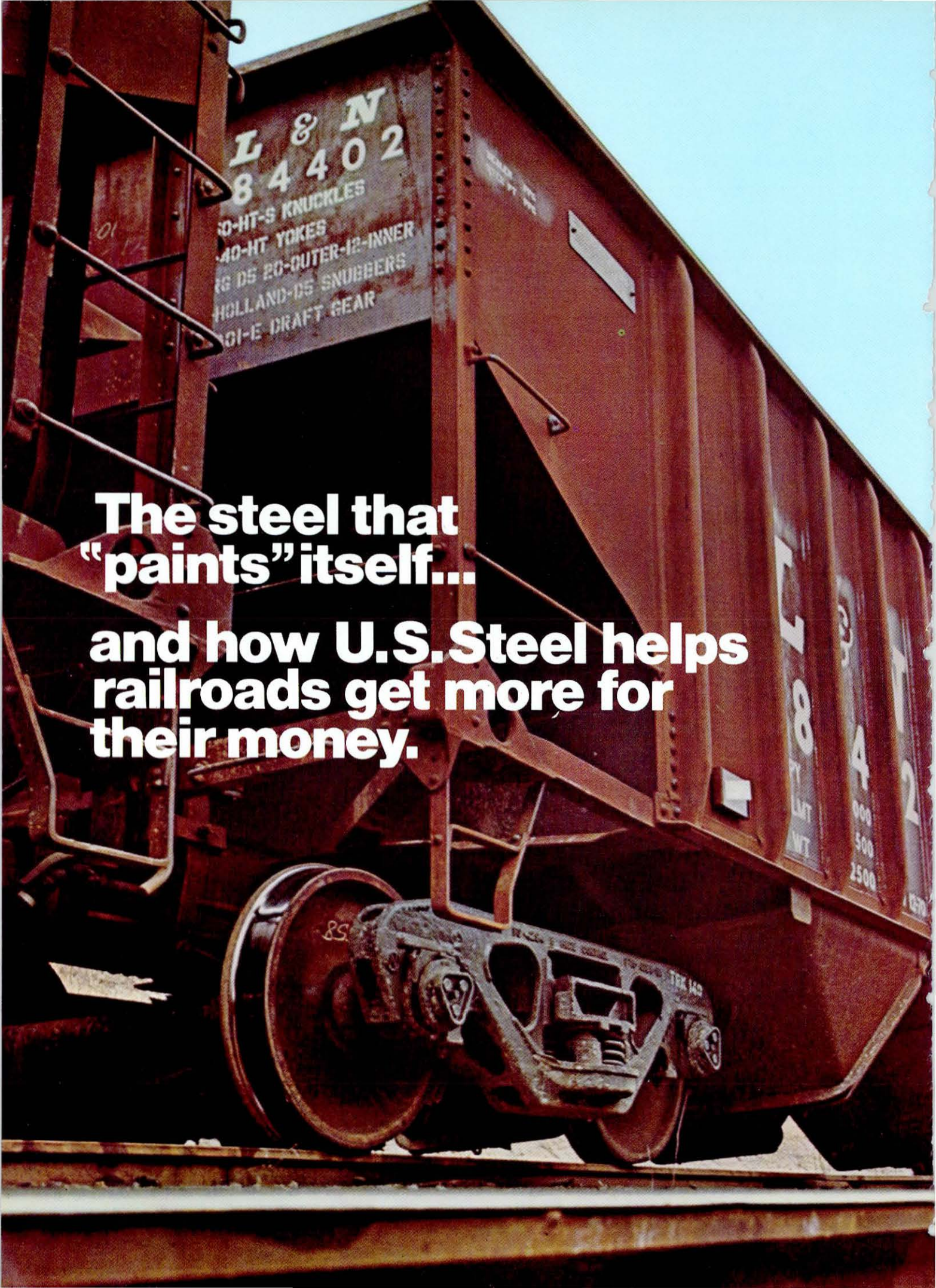

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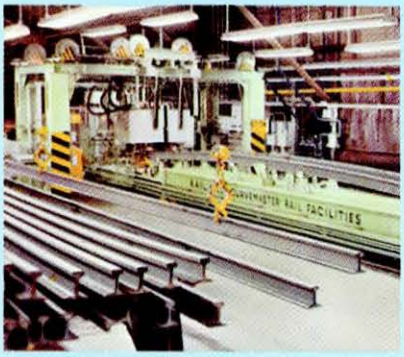

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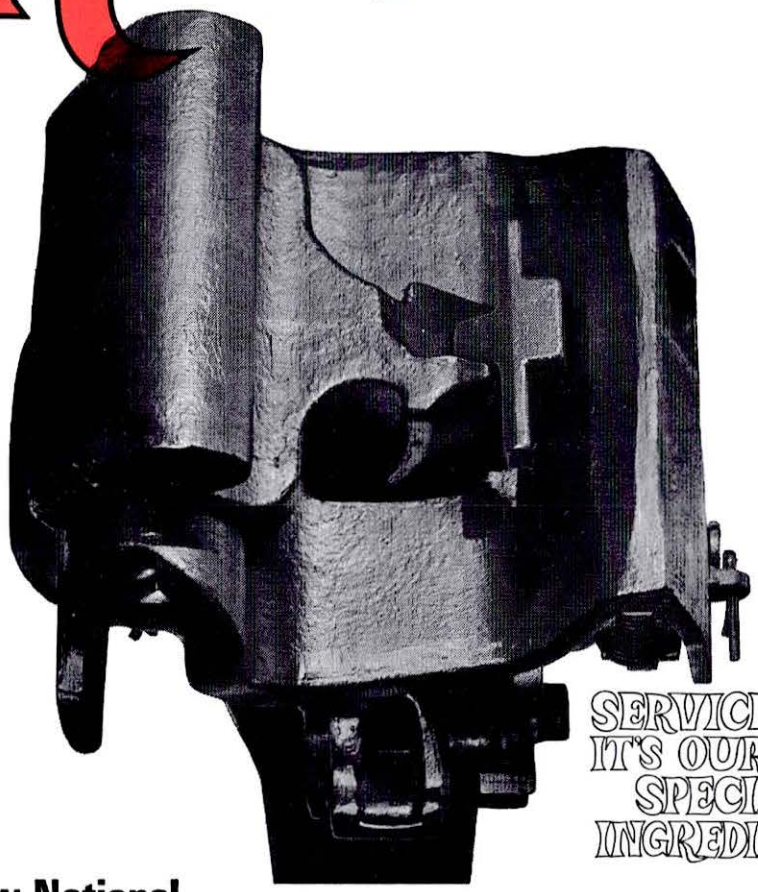

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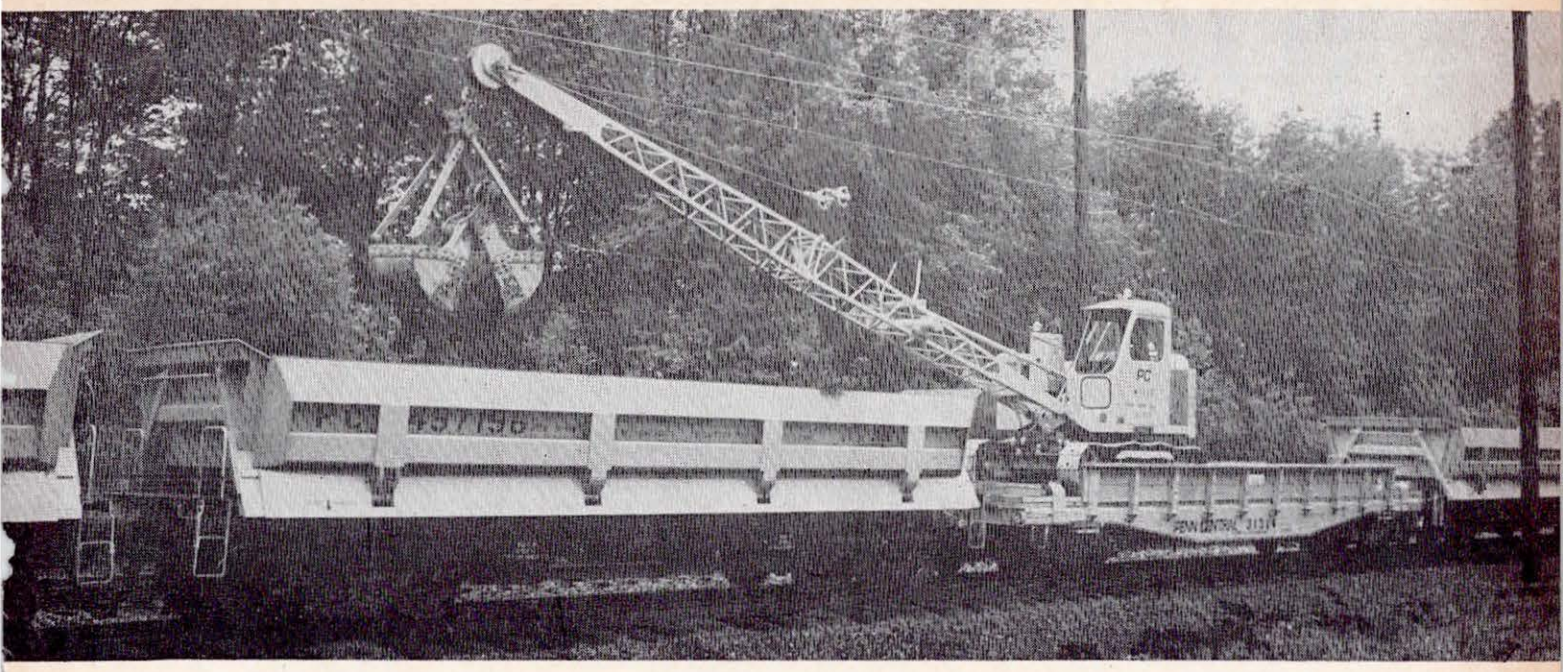
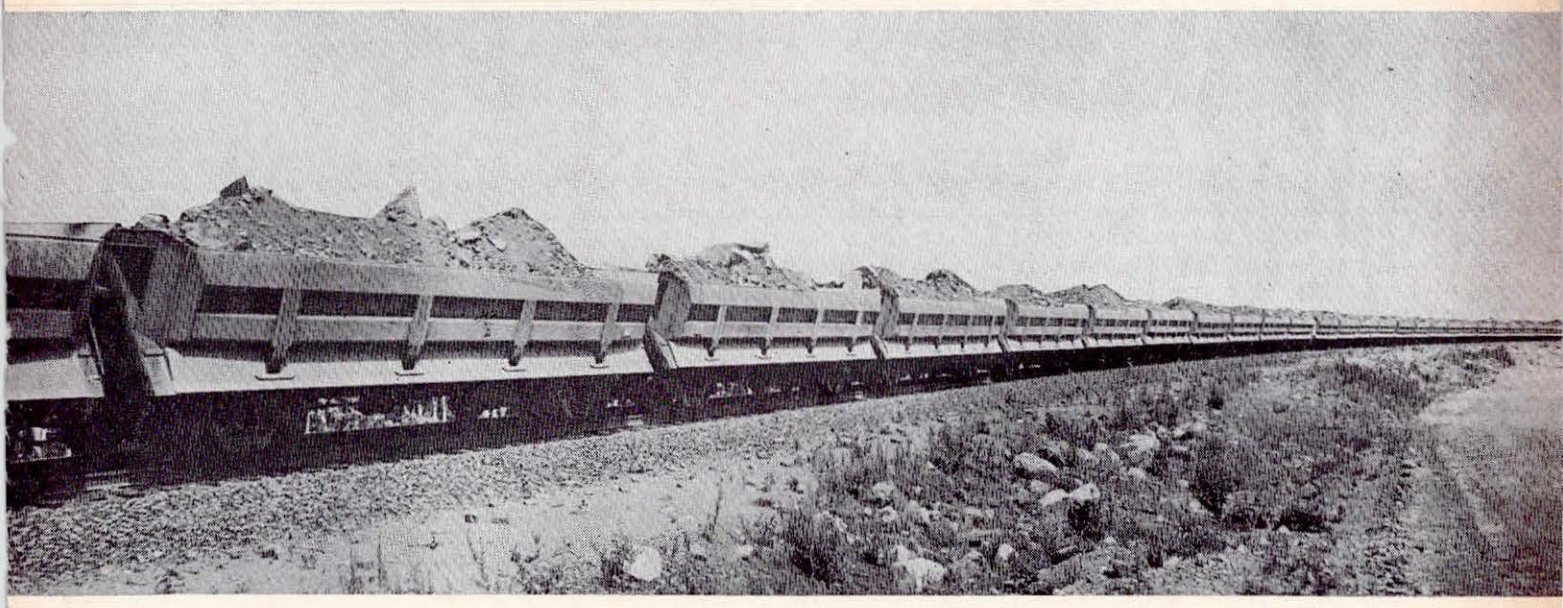


OR A STRING OF 36



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How to keep a "new" railroad new

In the 122 years since its original predecessor company was chartered Missouri Pacific has been through one "era" after another. In the late 1800s and early 1900s, MoPac was a key element in the Gould dream of a transcontinental-railroad empire. During World War I, MoPac went through one reorganization, and in 1933, it fell into the railroad industry's longest reorganization to date—23 years of trusteeship lasting through the Depression and through World War II. Then, in 1961, MoPac entered what might be termed the Jenks era.

In the past 10 years, MoPac has become virtually a new railroad, with territorial expansion, new plant, new equipment, new outlook. What's ahead in the 1970s? For this Management Close-Up, Railway Age Senior Editor Gus Welty put the questions to a number of MoPac officers—leading off with Chairman and President Downing B. Jenks.

Q. Missouri Pacific has done well, thus far in 1971. What do your projections show for the full year—and for 1972?
A. The outlook is pretty good. Carloadings have been running ahead of last year—and we look for a good fourth quarter. Our fall crops, for example, are going to be very good. We've been moving this year's wheat crop, and the volume has been holding up. We're quite a bit ahead of last year and, in fact, ahead of our estimates. We've also had an excellent record in industrial expansion. Investment in new and expanded industry set a record last year—more than $692 million. And we may see another new record in 1971, because investment in the first half alone topped $540 million.

I would hope that we will be 10% to 15% ahead in ordinary net income for this year—and I would also hope that next year we can do 10% to 15% better than we do in '71.

Q. Have you completed your planning for capital improvement for 1972?
A. Not entirely. But we have gotten our equipment budgeting off to a start. We've already approved 50 locomotives, 2,500 freight cars and 30 cabooses for next year's program, and we'll start getting deliveries in December. This means that we're running a little ahead of 1971 on equipment acquisition— and I expect that early next year we'll be ordering more cars.

Q. As a practical matter, how far ahead can you plan on capital budgeting?
A. We plan five years ahead, as to just what cars we'll buy and how many. Of course, plans change from year to year and sometimes during the year—depending on how the year is going and on our financial position. But I would hope that we can buy 3,000 freight cars a year. We retire between 1,800 and 2,000 cars a year. So, at these rates, we would have a net gain of about 5,000 cars over the next five years. And if business increases the way we hope it will, we will need that added equipment. Of course, we also have to get better utilization out of existing equipment—and we're getting it.

Q. Are you able to get reasonable financing in terms of today's market?
A. Yes, I think so. Our last two equipment trusts went at a little over 8½% and at about 7½%.

Q. How about fixed-plant improvements?
A. We're in as good a shape as any railroad in the country. We've done a lot to our track—putting in a lot of rail, most of it continuous welded, and a lot of ties. We've done a great deal of bank-widening and ditching. Over the past few years, we've reballasted practically the entire railroad. We've rebuilt almost all of our shops. And we've rebuilt all our major yards, except one.

You have to keep modernized—because if you don't have a modern plant and if you haven't mechanized and automated as much as you can, you just can't keep up with the terrific increases in labor costs that we've had.

One important thing to keep in mind so far as Missouri Pacific is concerned is that we were able to spend quite a bit of money on plant modernization in past years—when this work was a lot cheaper. Put it another way: The money you spent five or so years ago is worth a lot more to you than the money that you'll spend next year or the year after that.

Q. Do you see any change coming in capital-spending emphasis — for instance, an increase in the proportion of funds going to fixed plant?
A. For the industry, I think plant expenditures are bound to go up—because a lot of railroads need to spend more money on rail and ties and ballast as well as on yards. As for MoPac, I don't think we will have to go at quite the rate we did in the past. But we are going to step up on equipment.

And, there are always going to be yard improvements to make. We built a new yard at Little Rock in 1960, and we've improved it about four times since then. We've just completed the third or fourth change in a relatively modern yard at Kansas City. We've expanded our yard at Houston several times, and we keep outgrowing it. In September, we dedicated Centennial Yard at Fort Worth. Things were a little rough there for a while, because it's hard to maintain good service when you have a whole yard torn up. But that's all behind us now. Fort Worth will be able to help Houston and Shreveport and Alexandria and to relieve pressure at a number of other points. The one yard we haven't touched as yet is at Dupo, Ill. Our acquisition of control of Chicago & Eastern Illinois and our purchase of 50% of Alton & Southern have led to a little change in the traffic pattern there—and we've been waiting to see how that developed before we went ahead on a big project at Dupo.

Q. You're also planning a major intermodal terminal at St. Louis. . .
A. Industry figures on piggyback are down this year, but we're showing increases on C&EI piggyback coming out of Chicago and MoPac figures are only slightly below last year's. We've twice outgrown our piggyback facilities at St. Louis. We've had our eye on this particular piece of property for some time, and now we have it. It's just a short distance from the heart of the city, and it's in an excellent location with respect to our mainline and to the Interstate highway system.

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We'll build a new piggyback facility, a new freight house and new division offices—with completion now set for next spring.

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A. We will benefit—but the benefits will be some time in coming and at this stage of the game I can't tell you how substantial they'll be. The changes that have been negotiated are really a first step.

Certainly, it will be helpful to have longer freight runs without crew changes. We should benefit in our terminals, where we've been running transfer engines hauling cars one way and running light the other. New interchange practices should reduce congestion and speed up operations and make them more efficient. Ultimately, we should be able to operate with fewer people. But improvements of this kind will also make things better for the employees, because they will be getting better pay. I have no objection to paying an engineer $25,000 a year if he works for it.

Q. Over the short term, when you're incurring costs and not getting matching benefits, what can be done to keep control?

A. There's no specific formula for that. We're always looking for places where we can curb costs, and we're consistently coming up with new ideas.

Ten years ago, when we developed our present organization, the opportunities for making substantial savings were pretty obvious. You could see what needed to be done and you could step out and do it. As we've improved the property, we've had to use more sophisticated techniques, more industrial-engineering approaches. But we are coming up with new things, and we certainly haven't run out of ways to get better, smoother operation at lower cost.

The secret is in getting good people, and we've got them. We've put in a number of training programs, which have been refined and improved over the past 10 years. We have a lot of very competent young officers, well-educated and well-trained. For instance, three of our superintendents are 29 years old—and they're darn capable guys.

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Q. And your growth has been fairly consistent?

A. Yes, it has. We have had a steady growth in net ton-miles and in revenues, irrespective of rate increases. We see no reason why these trends should not continue. Our territory gives us a plus of course, both in terms of the size of the territory and the product mix. Agricultural commodities are a big factor. We may have more chemical traffic than any other railroad. Industrial development has been excellent. So, even with variations in the economy, we should be able to expect a fairly balanced traffic pattern—be-

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—When it assumed control of Chicago & Eastern Illinois, MoPac ran one principal train a day out of Chicago. That was all that was really needed, since C&EI's Chicago-St. Louis line was not blessed with great traffic volumes. Then a second train was added—and now, a third, which went on the schedule just a few weeks ago. This is fast freight. One schedule calls for Chicago departure at 3:30 p.m., with arrival at Dallas at 7:30 p.m. the following evening. Another sets departure at 10:30 p.m., with arrival at Houston at 5 a.m. second morning. Meanwhile, MoPac's part of C&EI has undergone a real facelift, with welded rail, new ties, slag ballast and CTC, plus new service and repair facilities and upgraded data-handling capabilities.

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cause if one phase of the economy is down, generally others are up.

Q. Turning for a moment to the industry situation, how do you size up the chances for getting meaningful help from Congress?
A. I think the chances are good. Congress seems to be moving on reinstatement of the investment tax credit, and of course this would be very helpful. I think, too, that [AAR President] Steve Ailes has done a great job in getting the motor carriers and the waterways people together with the railroad industry on the proposed surface transportation bill.

Q. Did you think you would ever see that kind of intermodal rapport?
A. I thought we would see it—but I didn't know we would see it this year.

Q. Do you also think that this cooperation at the top can lead to greater coordination at the operating level?
A. That's quite possible. We're in the trucking business in a fairly good-sized way ourselves, and our relationship with a number of truck lines has been quite good. I think, too, that as the motor carriers get bigger—through merger and their own growth—it will become easier to work with them.

Q. MoPac itself has been emphasizing a total-transportation capability . . .
A. Yes. Our "MoPac hauls all" approach has been based simply on the fact that we do know something about the over-all transportation business. And, as you know, we have been trying for some time to get authority to operate as an air freight forwarder. Our thinking was this: We have good truck lines, we've modernized and mechanized our freight houses, we have the facilities and the knowhow to handle the ground end of small-package transportation. We felt we could use this to advantage—ours and the customer's—in acting as an air freight forwarder. Actually, I'd like to operate some planes—but, of course, under present law we can't do that.

We have also done quite a bit of revamping in our traffic department, and we're well along with an educational program designed to improve the capabilities of our sales people. Reaction has been extremely good, internally and externally. We want to pinpoint our market effort. At the same time, we want to sell a full-range transportation service. It takes a little educational effort and perhaps a little reorientation to encourage people to sell the entire product mix rather than just one part of it—but we think the "hauls all" approach is working.

MISSOURI PACIFIC:

All signs point to a very bright future

Any way you cut it, Missouri Pacific is doing a lot of things right. All by itself, it's a "growth industry." And a visitor to 13th and Olive in St. Louis has to scratch pretty hard to find any negativism among the people at MoPac's GHQ.

The record gives reasons for optimism:

—On the financial side, MoPac last year set a record, with consolidated revenues topping a half-billion dollars for the first time. That record will tumble when all the figures are added up for 1971. Also predictable for this year is an increase in ordinary net income (though net-after-extraordinary-items will be reduced because of Amtrak-connected writeoffs).

—On the operating side, the trend is also up. Despite labor troubles in and out of the railroad industry and despite the general flightiness of the economy, traffic is above last year's levels. MoPac is justifiably proud of the physical condition of the railroad. And the freight-car fleet must rank with the industry's most modern: Average age of the fleet in 14 years—but about 20% of MoPac's rolling stock has come onto the property in the past five years. Car-buying programs projected for the next five years will make the fleet both bigger and younger.

● **MoPac wants "control."** Of all the moves MoPac is making, however, none may be as vital in the long run as the development of TCS—a Transportation Control System which, MoPac people are convinced, will make possible a precision operation the likes of which the industry has never known.

TCS is an eight-phase program, now targeted for completion by 1977. Total cost will be about $30 million—and, says Executive Vice President John H. Lloyd, the expenditure "is fully warranted. This system will pay for itself many times over."

Even now, with Phase 1 in and development work continuing on several advanced phases, MoPac is seeing an improvement in car utilization. Eventually, Lloyd is looking for an improvement factor of 10% to 15%.

Basically, TCS involves implementation of five sub-systems—a reporting system, car-scheduling system, car-distribution system, yard-control system and decision-support system. In addition, TCS will provide a comprehensive data base for the operating, traffic and accounting departments—a base to be used as a source of information for car accounting, revenue accounting, sales and market analysis, transportation statistics, customer inquiries and so forth.

It is with a certain amount of conviction that one MoPac memo on TCS says the system "will enable MoPac to achieve a degree of control over its operations never before thought possible and may, in fact, be the most significant development in the history of the transportation industry."

● **TCS in operation.** The systems

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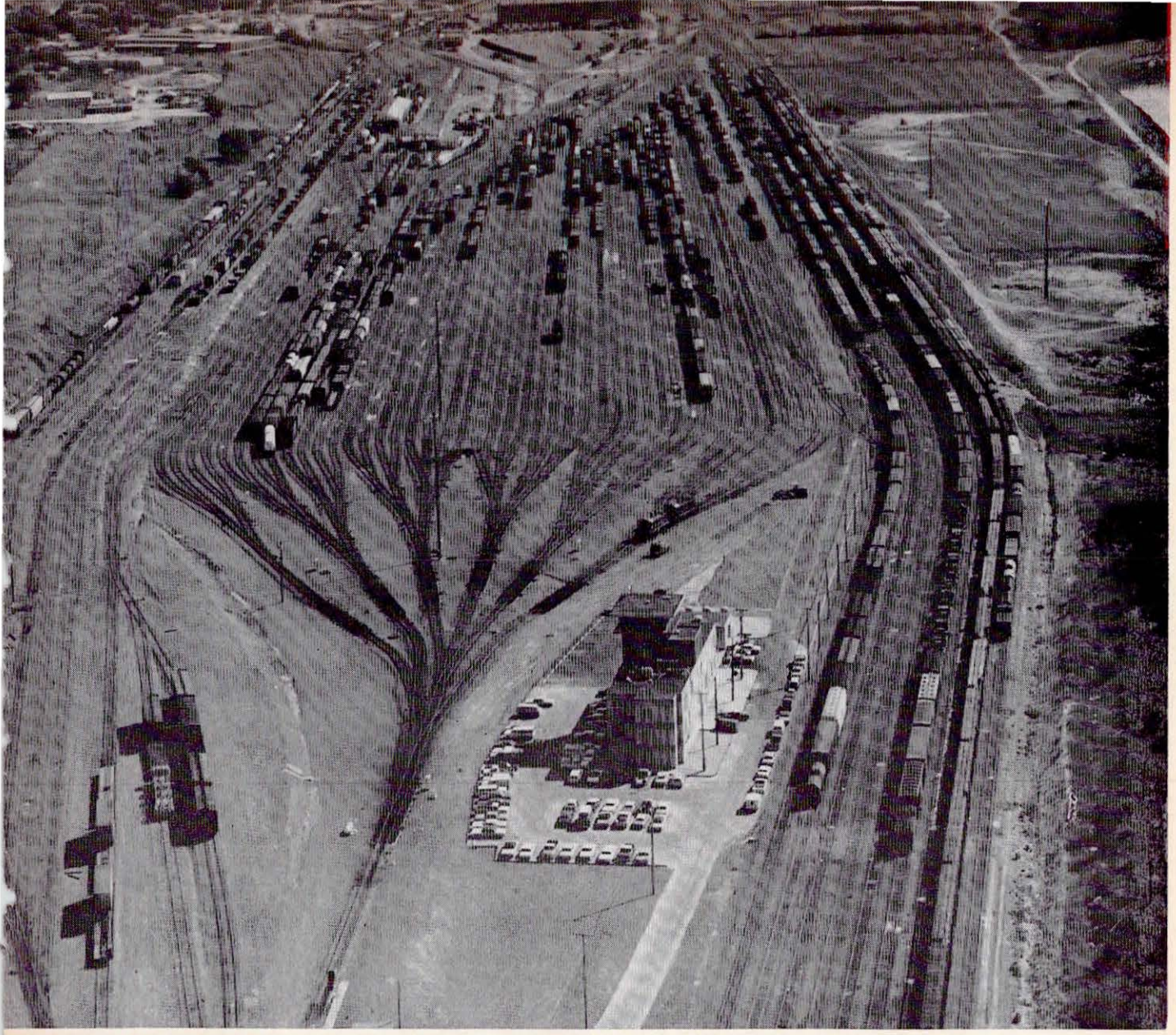
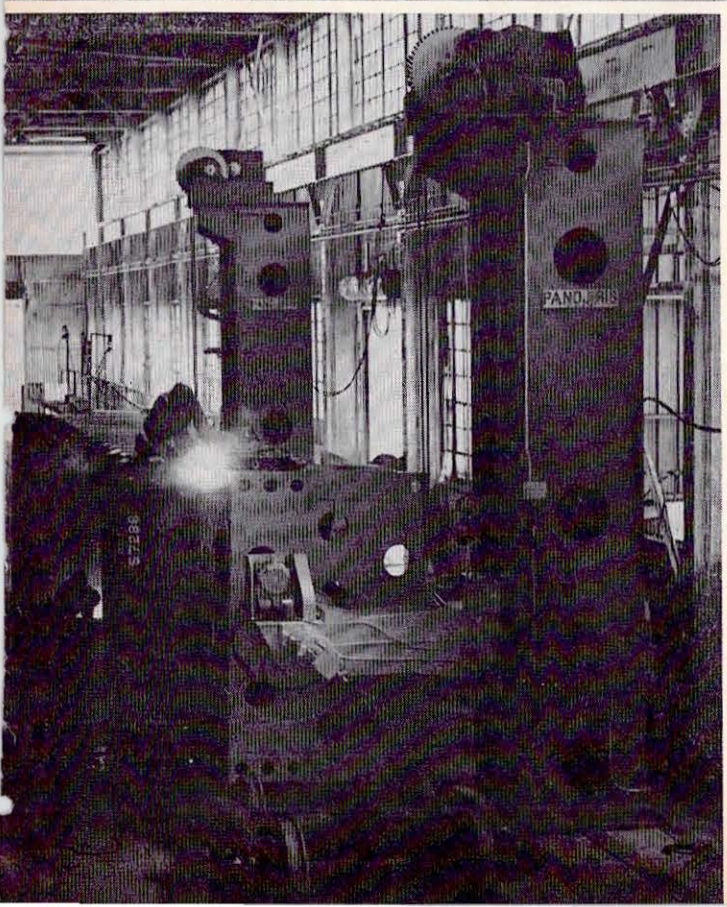
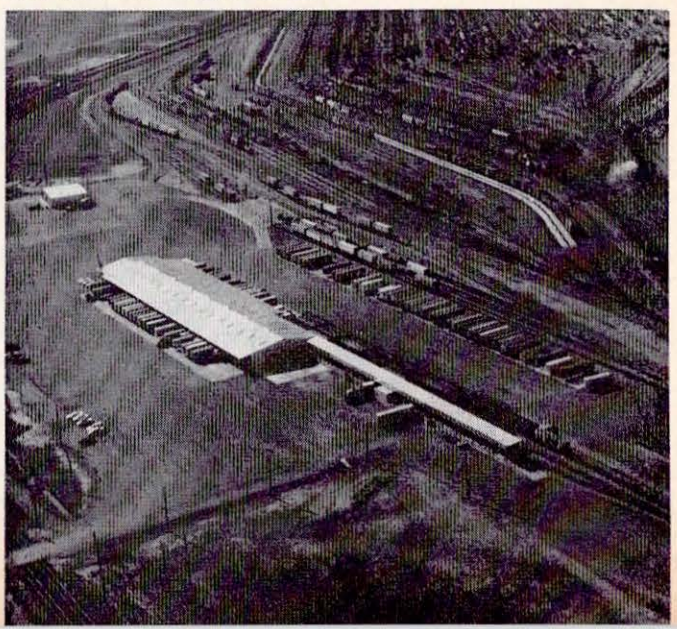
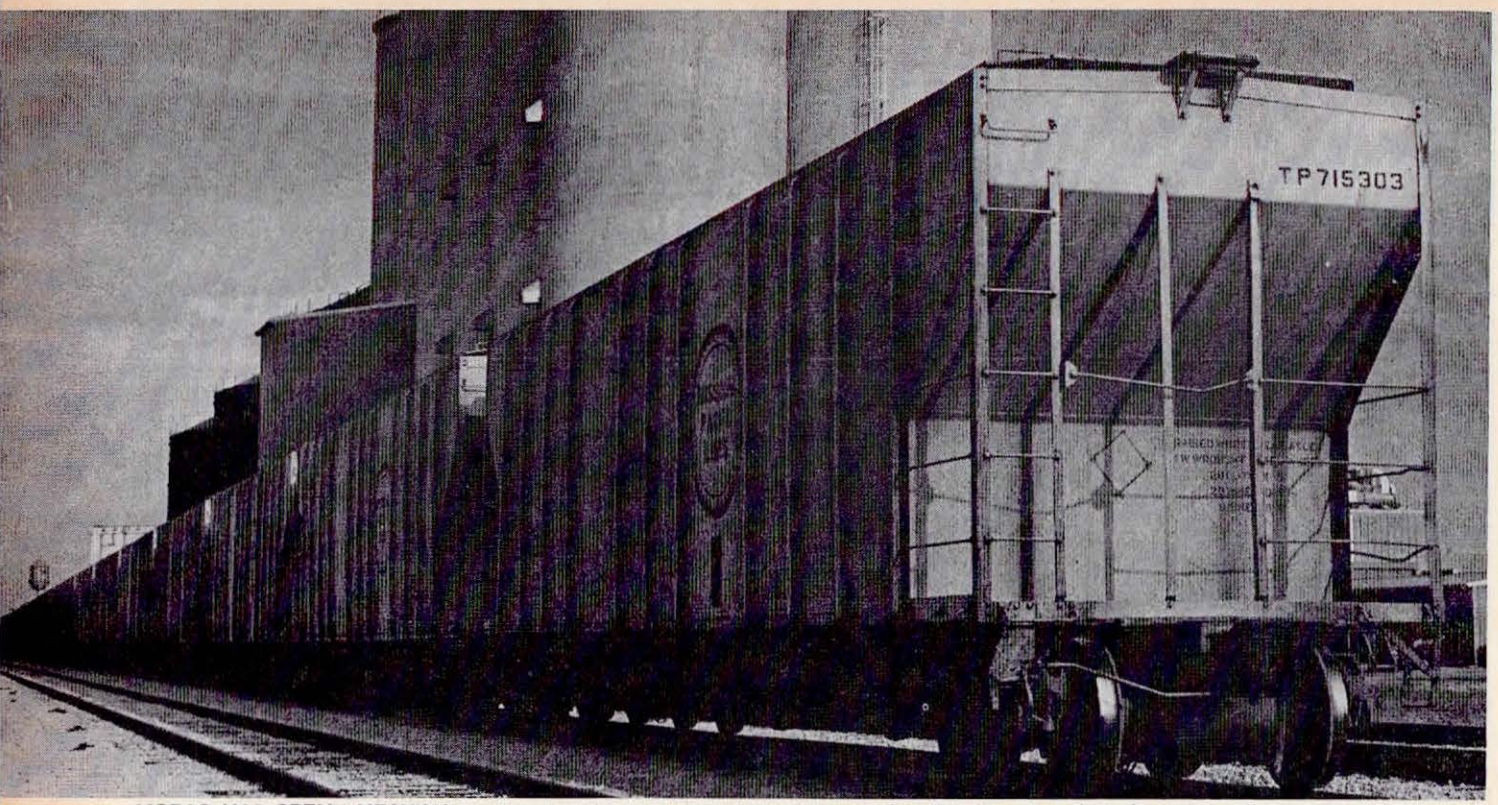




KEEPING THE FIXED PLANT IN A-1 SHAPE has been a major factor in MoPac's growth. Three examples: The expanded and modernized Centennial Yard at Fort Worth (above), now equipped with a digital computer system which has helped in nearly doubling the yard's car-classification capability; North Little Rock's total distribution center (below), with its almost-new merchandise freight center and a class yard which has been improved several times since it was built a decade ago; and the DeSoto, Mo., car shop (left), one of a number of up-to-date facilities which keeps MoPac's "good-order" freight-car ratio up around 96% or 97%.





MOPAC HAS SPENT HEAVILY for new freight cars over the years—and indications are that the total will go even higher, with acquisition of 3,000 new cars a year the current five-year-plan target.

within TCS will work this way:

—The reporting system is the data acquisition and dissemination part of the network. Data on car destination, status and location are held in a central computer and the information is used to generate operating instructions which are then monitored to insure compliance.

—The car-scheduling system generates anticipated car-movement events. Every car made available to MoPac will be assigned a trip schedule. This schedule and other relevant information will be fed to the reporting system for output in the form of operating instructions.

—The car-distribution system will provide destinations for empties, reflecting shipper demand, requirements of car service orders and MoPac distribution policies. Initially, some destinations will be assigned automatically and some manually. Assignments will be made available to the car-scheduling system for the addition of movement information and then to the reporting system for development of car-handling instructions.

—The yard-control system will translate operating instructions into specific track-to-track movement instructions required in connection with the classification process, and will then monitor performance.

—The decision-support system will provide for retrieval of data from TCS: "Questions can be asked in the decision-maker's terms and relevant information will be retrieved to support his decision-making process. The system will also provide a means of entering decisions into the reporting system, where they can be translated into operating instructions."

● **"A whole new way."** Looking down the road, John Lloyd can see a whole new way of operating a railroad —keyed to the individualizing of every car entering the system. Obvious benefits will come through more efficient car distribution and through the ordering of trains based on traffic requirements and not on the requirements of a printed train schedule. But there will also be substantial benefits in the areas of traffic costing, labor-cost control—and even management-development: About 175 people are working on the management-information program—and MoPac can see members of this highly-skilled, highly-knowledgeable staff moving into key spots in various other areas as TCS moves through its eight phases.

And just how complex is the system? Incorporated in it are TOPS programs which Southern Pacific made available and onto which MoPac has applied its own software. By one consultant's estimate, MoPac's over-all system may be as complex as any computer-based system this side of NASA.

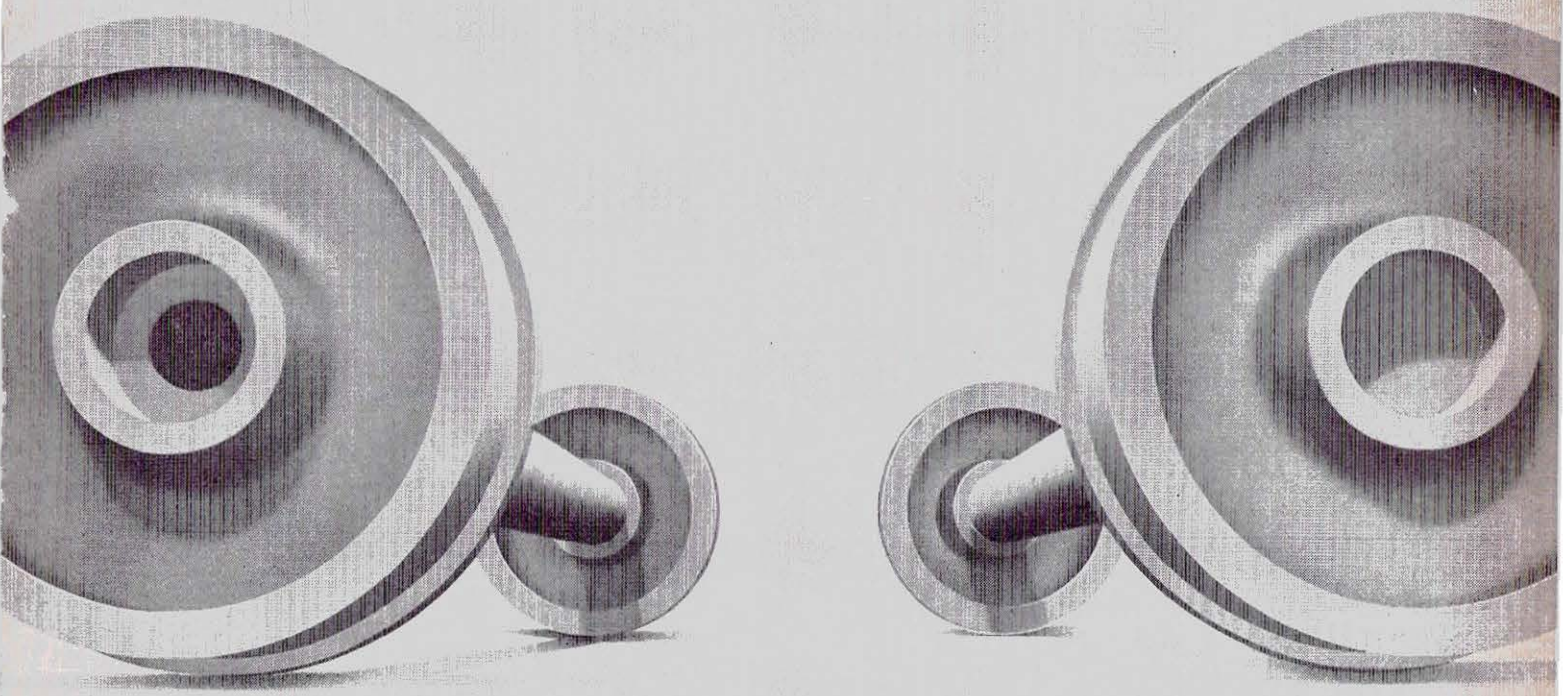
Backing up this observation are the findings of a DOT survey of car-management systems—which identified MoPac as one of just three roads (the others: SP and Canadian National) that are thinking in terms of car-scheduling. MoPac, the study report added, is also one of three companies with systems providing a full spectrum of high-quality information needed for "sophisticated car-movement control through computerized car scheduling and monitoring to insure the proper handling of all cars within time and performance standards."

DOT recognized TCS as the kind of total system which "will be in use by all major roads by the latter part of the present decade." John Lloyd puts it even more bluntly: "Most railroads—and certainly all major ones—will *have* to go to this kind of system if they hope to stay competitive."

● **Thinking—and doing.** While TCS moves ahead, MoPac is also using the computer extensively for simulation studies. Studies are being run on all siding construction and extension projects, and simulation has also been used to plot train capacities on various grades and to study conversion from ABC to CTC. Currently, MoPac is working on yet another study aimed at determining new bridge ratings involved in a switch to use of longer spans.

And, while the think-tank churns, MoPac is running trains and building

The only difference between them is 100 pounds.



Both of these transit car axles are made from the same type of steel.

Both were built by the same transit-car company.

But the one on the left weighs 100 pounds less. Because they made it from Timken® seamless steel tubing.

Same 1050 steel as the other. Same O.D. and length. But tough enough to stand up to impact forces and stresses. And lighter weight, a big competitive advantage.

With four axles per car, the total weight saving is 400 pounds, a big advantage to the builder and more payload for the transit company.

If your product can be improved by taking off a few pounds, maybe you ought to be looking into Timken carbon or alloy seamless steel tubing.

One of our steel sales engineers will be happy to help you look. Call him. Or write to us, The Timken Company, Steel Division, Canton, Ohio 44706.

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AND NEVER ONE OF YOUR VERY OWN.

It's true, of course.

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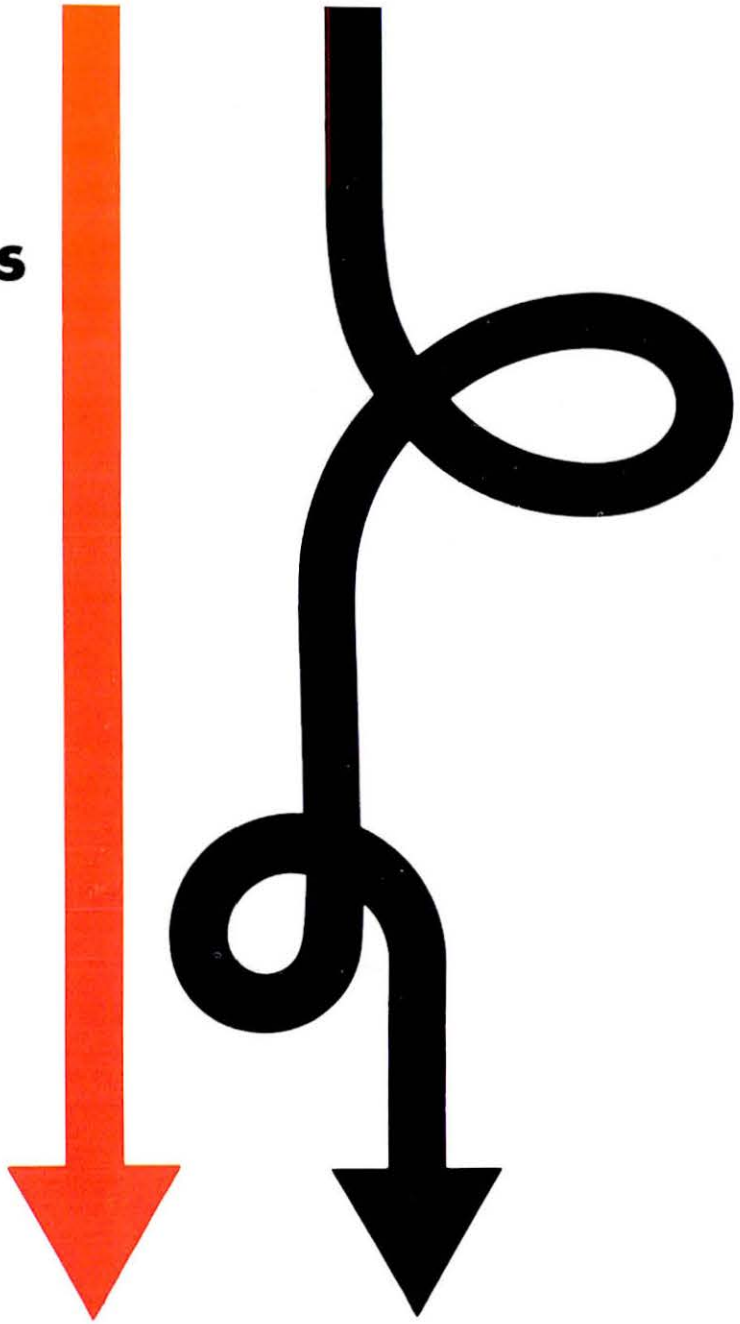

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Ship every two weeks in big 40 foot containers.

Straight to and from your USA-Canada door and any door in Korea-Hongkong-Taiwan. You will save five valuable days or more . . . because our new scheduled route bypasses Japan. And because our all-40-foot-container ships have container cranes on board . . . and because our containers have their own wheels . . . you will not have costly delays.

By ship, truck and railway.

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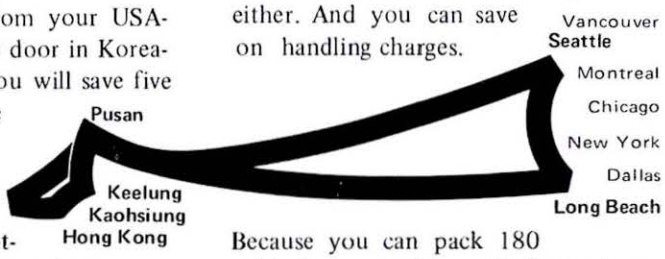

Because you can pack 180 cubic feet more into a 40 footer than you can into two twenty footers.

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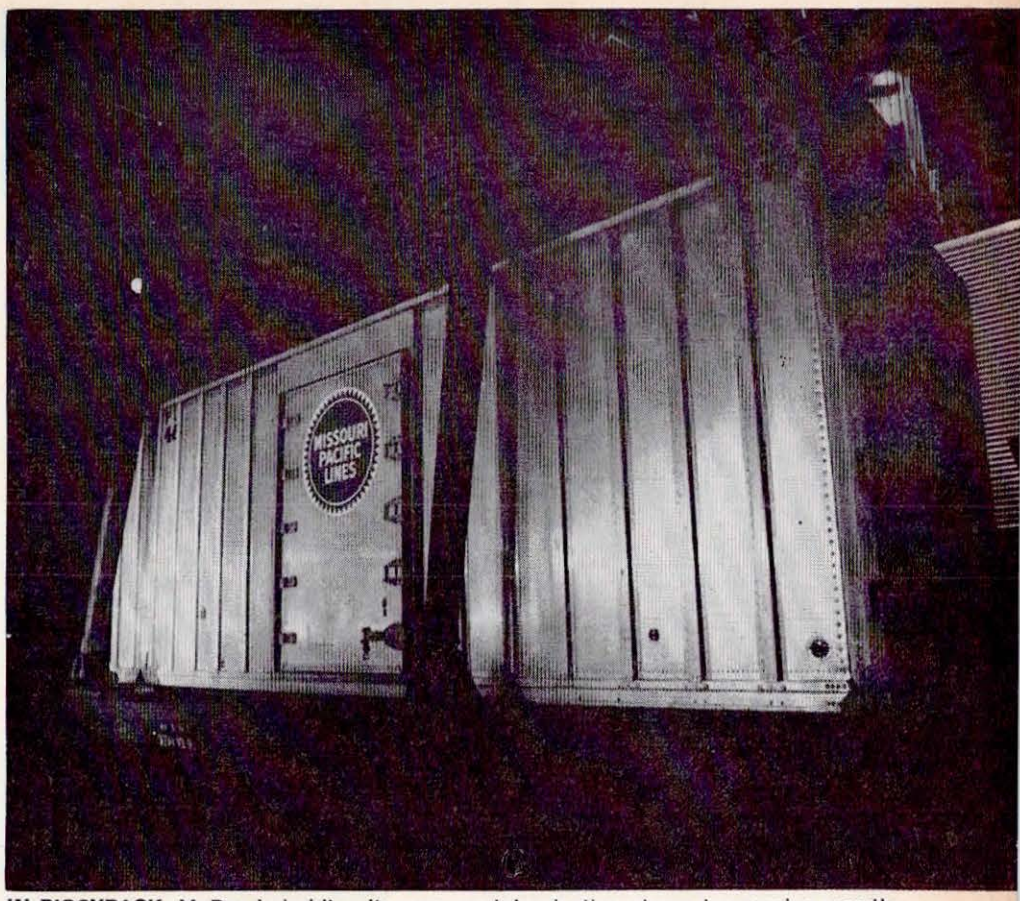
hostling, containerpak, container stuffing and stripping, chassis leasing, container interchanges, split delivery, reforwarding rates, trap car service, warehousing, and bulk and volume service. Sales personnel are primed to sell the full range of services, on the theory that there almost has to be some service or combination of services that the customer needs and MoPac can profitably provide. New-business reports coming across Austin's desk indicate that the theory is right. And there is a gratifying amount of fallout from the full-service approach: Austin is convinced, for instance, that MoPac is enjoying a considerable amount of carload business that it might not have were it not also filling the customer's lcl needs.

—When it comes to coal traffic, MoPac is not in the same league with a Penn Central or a C&O/B&O or an N&W. But coal traffic, too, is building up. Unit-train coal movement involving one utility alone (Union Electric in the St. Louis area) will eventually run at a 12-to-15-million-ton annual volume.

—Sales training is being stressed as never before, for new people and veterans alike. In the past, "training" consisted mainly of periodic tours designed to show sales personnel what the system looked like. Now, MoPac has a formal, building-block kind of program. It covers everybody. And each year's program will build on the training provided the year before.



IN PIGGYBACK, MoPac is holding its own; containerization shows impressive growth.

● **Selling the service.** As an operating man who got into traffic when he was well along in his career, Joe Austin has few illusions about either providing service or selling it. MoPac is doing well—with a $30.1-million increase in operating revenues for first-half 1971 and with average revenue per car heading steadily upward (even without taking rate increases into consideration). At the same time, MoPac has every road's problem with motor-carrier competition—and it has a tougher-than-average problem with waterways competition. "Waterways competitors?" says Austin. "They're everywhere."

With this competitive situation—and with spiraling labor costs which will add an estimated $70 million to MoPac's annual labor bill by the end of 1973—Austin is understandably concerned about the way in which rail service is being priced. Further rate increases will probably be needed—but they may create as many problems as they solve. As Austin points out, motor carriers have also boosted rates—but they have also tried to keep major increases off their volume business. Meanwhile, he says, the series of ex parte rail-rate increases has resulted in railroads pricing themselves out of the market in some areas "and we're close to the line in others." MoPac does what it can: "We'll look at each individual case on its merits. And we'll do what is necessary to stay competitive and, of course, maintain a reasonable profit."

● **Better management, service.** Without much doubt, a good part of the answer lies in better asset management and improved service—the kind of thing which TCS will help make possible for the kind of total distribution which "hauls all" stresses. And there are strong indications that MoPac is putting it all together. Austin likes to cite one example in particular, involving Mattel, Inc. For several years, he recalls, MoPac had been trying for a share of the company's business moving from a California plant "and we just couldn't make it. Then we started emphasizing 'hauls all,' one of our young salesmen in Los Angeles kept trying—and we were able to sell Mattel on the idea of breakout distribution using 86-foot box cars." Is Mattel happy? This is what Sanford Forman, manager-traffic operations, wrote to Stan Hopton, MP's general freight agent in Los Angeles:

"It is your being an innovative carrier, instead of a follower, that has enabled Missouri Pacific to be a leader among railroads. In this day of diminishing revenues against increasing service demands, a carrier must work individually with each shipper to encourage and maximize their joint growth.

"The evidence of our working together has been exhibited through (1) our increased tonnage per car through use of larger-cubic-capacity cars; (2) coordinated routing and scheduling; (3) ability to tie our Telex system directly into your master computer, giving us instant tracing information on all rail cars and TOFCs; and (4) use of MoPac terminal cities as distribution agencies for Mattel rail cars and TOFCs. With utilization of Missouri Pacific truck lines as delivery carrier, our total distribution movement by single carrier is complete, from rail carrier to distributor to delivery motor carrier.

"In anticipation of your continued awareness of today's needs for action today, Mattel expects, our customer needs to be met and satisfied."

That is precisely the kind of total service MoPac is aiming for—whether the product be toys from California or textile products from the Southeast or artificial flowers from Hong Kong or plywood from Korea (on all of which MoPac has scored). And the way things are shaping up, you could sum it up in a sentence: It is a total commitment to a total service—and it should keep MoPac on the way up for a good long time. ■

Senator Hartke: "We need a national

Why has Senator Vance Hartke (D.-Ind.) invited British Railways officials to testify before his Surface Transportation Subcommittee? What are Hartke's own views on nationalization? What does he hope will come of current hearings on three freight-car bills, and upcoming hearings on the Surface Transportation Act of 1971? What are his views on subsidies and trust funds? On deregulation? On Amtrak? Railway Age Editor Luther Miller and Washington Editor Reid Beddow put these questions to Senator Hartke in an interview in his Washington office.

Q. Senator Hartke, what is your view of the situation of U.S. transportation today?

A. There is no question that the American transportation system is in a sad state at the present time. It did not get that way overnight nor is it going to be cured overnight. We need *a* national transportation system. The difficulty is that without some type of comprehensive national transportation plan and policy we find ourselves involved in trying to prop up existing industries and deal with day-to-day breakdowns without really putting a good transportation system on the road.

Q. You are not satisfied with the Department of Transportation's leadership in this area?

A. The Department of Transportation has been a great disappointment to me personally, and I think to the transportation industry generally. I am quite concerned for two reasons. One is the DOT's apparent lack of response to the need for revitalization of the transportation system. Second is their apparent lack of real concern that there *needs* to be a concern. There appears to be an absence of will as well as an absence of performance.

Q. The Surface Transportation Act of 1971, the Hartke-Adams bill, is now before the Congress. When will your hearings begin?

A. We hope that we can begin these hearings in the first week of November. This is a rather comprehensive bill, agreed to by competing modes of transportation, which is quite unusual. This heretofore has been a stumbling block which has prevented any meaningful approach.

We are interested in developing a cooperative approach which would make it possible to provide a transportation system that would provide better service to the people and at the same time help the private carriers to make a profit.

Q. Do you hope to see the Surface Transportation Act of 1971 become law in substantially its present form?

A. Any legislation which I have introduced has always been a working paper, so to speak. It's an outline from which you can start. From there you develop sort of an adversary proposition—that is, you present the arguments in favor of the bill and then the arguments against the bill.

Q. A number of eastern and midwestern railroads are burdened with a large percentage of light-density and money-losing branch lines. Do you feel that the abandonment provisions of the Hartke-Adams bill will help to correct this?

A. I would hope that it would point up two things. One is whether or not in fact there is a possibility of providing service to these communities without the tremendous expense that is presently involved. There isn't any question that a certain amount of trackage in areas where there isn't high density is going to be necessary—keeping in mind that the primary responsibility of Congress is to make sure there is service to the public. But there cannot be service to the public if you provide a system which ultimately does not provide an opportunity for that service to be at least self-sustaining; that has been too much the history of the past. There has not so far been

Hartke on Amtrak: "Half a loaf

Q. Senator Hartke, Amtrak is reported ready to go back to Congress for $170 million. Will you support this request?

A. I think Amtrak is a bad name. And unfortunately their image so far is not the type of image that I had envisioned. But it is, unfortunately again, what I expected from such a watered-down program as the Administration insisted that we follow.

The idea was to provide for some type of comprehensive, up-to-date, sanitary, on-time railway passenger service. This could be done and should be done. And it could be done in a fashion which I think would be very appealing to the public. It has to be massive, it has to be of such a nature as to attract customers to it, and not just merely a reshuffling of some of the old services and elimination of some of the others. But that's what has happened so far. They didn't have enough money in the budget to think big, and so they've thought small.

Now, whether that blame should be on the officials at Amtrak or on the Administration, I'm not willing to say. But it doesn't belong on the back of Congress, at least upon all of us. We warned them that this couldn't work in this fashion and they said it could. All we did was give them a chance to attempt to use the Administration's approach.

In retrospect, I'm not sure that I was right in giving the Administration this much leeway. It would probably have been better to have called their hand and let the whole railroad passenger service go down the drain, which it would have done, and let the Ad-

transportation system"

the type of analysis which has made it possible to give an objective answer to the question of service and performance and profitability to the carrier.

Q. Senator, in addition to the Surface Transportation Act of 1971, there are three freight-car bills now before your subcommittee. You have indicated a preference for the so-called Fastcor bill. How firm is your commitment to Fastcor?

A. This is just another part of the package which we have tried to put together in trying to provide better transportation facilities. A historic problem has been the shortage of freight cars. How are we going to provide these cars for the railroads? [If] the government is going to pay the bill, then the use of that equipment must be in a fashion in which all of them can share equally in it, so that it doesn't become just the property of certain parts of the industry. I'm not happy with this, no. I'm not happy with the whole program, if you want to know the truth. I see it as the only alternative which has been suggested as of this moment to alleviate rather a severe problem in the United States, the shortage of freight cars.

Q. The Hartke-Adams bill has a provision which would create an RFC-like agency to guarantee loans to troubled carriers up to a total of $5 billion. Would this be an alternative to Fastcor?

A. Not necessarily. The RFC provision in the bill basically is a realization that we have in this country reached a point where somehow or another there has not been sufficient capital generated inside the industry to take care of financial needs. An RFC type of operation, if applied generally, can provide for some meaningful relief. On the other hand, I think the history of Section 5 of the Transportation Act of 1958 demonstrates that merely providing loans does not really alleviate the basic difficulty; quite the contrary.

Q. Senator Hartke, you have invited Richard Marsh, chairman of British Railways, and others from Britain to testify before your subcommittee. What do you hope to learn from this testimony?

A. The British railway system—I know as a result of my trip there and inspection—has taken some steps, especially in the field of passenger service, that are distinct and different from anything I have found inside the United States.

In the first place, they have a research program which recognizes that the basic rehabilitation of the right-of-way itself is a tremendously expensive proposition. So they have accepted the fact that if you have to keep the same rails and right-of-way you now have, with a minimum of expenditure on that side of the system, then the only other thing you can change is the car. They have developed a new suspension system which is going to permit high-speed passenger travel on existing tracks—the same type of tracks we have here. What I am talking about is merely a sharing of knowledge and a sharing of information which I think will be mutually beneficial.

Q. Does the British experience with nationalization interest you?

A. I am concerned about the overall question of nationalization to the extent that it is sometimes mentioned as an alternative in the United States. I have never favored nationalization. The British system is not nationalized in the typical sense in which we view nationalization; it still is operating practically as an independent corporation owned by the government. . . . They do not have some of the burdens of the private carrier; and one of the chief burdens which they do not have is taxes.

Q. Are you hopeful at this point in time that railroad problems can be resolved short of nationalization?

(Continued on page 78)

Railway Age photos by Maurice Mates

gets you a half-baked operation"

ministration take the blame for it, than to give it just half a loaf and get a half-baked operation. It brings me to this conclusion: There may have been so much damage to the passenger service that it may not be now possible even to save it, even though I personally want to if it can be done.

Q. What strings would you attach to a supplemental Amtrak appropriation?

A. In the first place I think we would have to spell out in more detail not the routes themselves but the requirements on service. Secondarily, I think we'd have to really make sure that we had some type of equipment program to make the entire system up to date. Thirdly, I think we would need some type of massive demonstration, involving routes and equipment and service, so that people could really see what you could do if you had enough money to get the job done.

We must recognize that there is a distinct possibility that rail passenger service may not be a big profit-making operation. And I am not one who believes that that simple deficiency should preclude us from moving people on the ground, because I still think it's necessary; and it should be less expensive than it is today, because it should move a lot more people than are capable of moving through the air or on the highways. Rail passenger service is a distinct requirement in our future movement of people. The alternative is going to be too expensive, in terms of other types of subsidies which will not provide the same results we will get from rail service.

PIGGYBACK:

Down, but far from out

A recessionary economy, coupled with cost and service problems, has put TOFC/COFC into a decline. Railroads are working hard to reverse the trend.

For only the second time since piggyback became more than a statistical flyspeck, year-end figures are going to show a decrease in traffic.

For the first nine months of 1971, the over-all decline is 7.5% on carloadings and 6.5% on trailerloadings. On general-service piggyback, the drop isn't quite so sharp—6.7% and 5.5%, respectively, on cars and trailers. But mail and express are not moving piggyback at anywhere near the traffic levels of 1970, and including mail and express tends to distort the picture to a certain extent. In recent weeks, for example, general-service TOFC/COFC loadings have actually been up slightly though the over-all figure remains down.

● **Identifying the problems.** Nobody's exactly happy with the situation. But there are indications that railroad people are getting a better handle on what has gone wrong over the 1969-71 period. And, while some of the gone-wrong elements are beyond railroad control, some are not. To put it another way, railroad people cannot straighten out the general economy of the country—but they can do something about costs and about service, over-the-road and in-terminal.

On the cost side, both railroads and motor carriers have taken healthy rate increases. The truckers, however, seem to have tried to keep major increases off their volume business, and thus some adjustments in TOFC/COFC rates may be necessary—adjustments following, hopefully, development of more accurate cost figures on piggyback.

Service problems are, if anything, trickier. By and large, over-the-road service has not suffered—though schedule adjustments in some areas, reflecting general traffic declines, have created a few problems. The big problem is where it has always been, in the terminals—and it is this problem that has to be solved if TOFC/COFC is to get back on the uptrend that marked the 1960s.

As one observer puts it, piggyback seems to have its own self-regulating mechanism: Business grows, terminals get crowded, service suffers, business drops off, the terminals become less crowded, service improves, and then business begins to grow again to start a new cycle.

Meanwhile, most roads have made an effort to speed up the trailer-handling process—usually by investing in lift-on/lift-off equipment. The investments help—but they don't represent a final solution to the basic problem, which is simply that TOFC/COFC growth has pushed many terminals to the limits of their available space.

● **Where to go?** In many cases, railroads have nowhere to go in expanding so-called in-town facilities. Land is either unavailable or prohibitive in cost. And while there are exceptions to this rule—Illinois Central's new close-in terminal in Chicago, for instance, or the one Missouri Pacific is building in St. Louis—the rule still applies more often than not.

The alternative—for the time being, at least—is to pick an outlying site and start fresh. But the location must have good access to both rail lines and highways. It must be so situated that cartage costs are not sent climbing out of sight. And by the time all operating and economic factors are taken into consideration, the ideal outlying location is not all that easy to find.

So what comes next? There are those who say that containerization comes next.

● **What future for containers?** You can find scores of traffic people who wax enthusiastic about containers in the import/export trade. You can find hardly anybody who wants to talk containers for domestic traffic. Domestic shippers neither need nor want containerization, the doubters argue. And besides, there are frightful problems involved in controlling and distributing bogies. As matters stand, the arguments are valid. On the other side, however, there are points to be made which may someday carry more weight. One is that terminal space problems might best and most economically be solved by going vertical—and containers are eminently stackable. Another pro-container argument is based on operating characteristics—the aerodynamics of container vs piggyback-trailer in train operation. And the factor leads into an intriguing market-development question: Could a combination of high-speed container trains and proper container pricing put railroads back into medium-distance hauls where they are having problems competing on a conventional-piggyback basis?

WHAT ONE BIG PIGGYBACK SHIPPER SAYS (p. 40) ►

"If anybody makes an engine they think is more reliable than a Mercedes-Benz, it'll take them seven years to prove it to me."

Dr. Milton Ratner, Chairman, Midwest Emery Freight System, Inc.

"Midwest Emery has learned some expensive lessons trying nearly every new engine that's come along," says Dr. Ratner.

"So far there's nothing even close to the Mercedes-Benz OM 636. We've run one engine day and night for a year and a half with just regular maintenance. Used others to keep ice cream solidly frozen in non-insulated trailers. Nothing seems to faze them. In fact, our Mercedes-Benz engines average seven years without an overhaul."

To Mercedes-Benz such performance isn't exceptional—it's expected. We've been building, testing, and improving our diesel engines since 1907.

That's why today's OM 636 is designed with forged aluminum pistons that stretch overhaul cycles to improbable lengths. Why we designed a one-piece cylinder crankcase casting that virtually eliminates leaks. Why we specified glow stud plugs for easier cold-weather starting and a water-circulating pump with sealed in lubrication.

And why today, eighty-five percent of the controlled temperature market uses the Mercedes-Benz OM 636 as a prime mover.

Some call our little diesel the standard of the industry. But to Dr. Ratner, it is the industry. As he puts it, "That engine revolutionized food transporting the way jets changed air travel. Today we're among the largest haulers of perishable food in the world. But our business would probably be one third the size without the OM 636."

For more information, just write to Daimler-Benz of North America, Inc., Industrial Div., 126-56 Northern Blvd., Flushing, N.Y. 11368. Or call us at (212) 899-4000.

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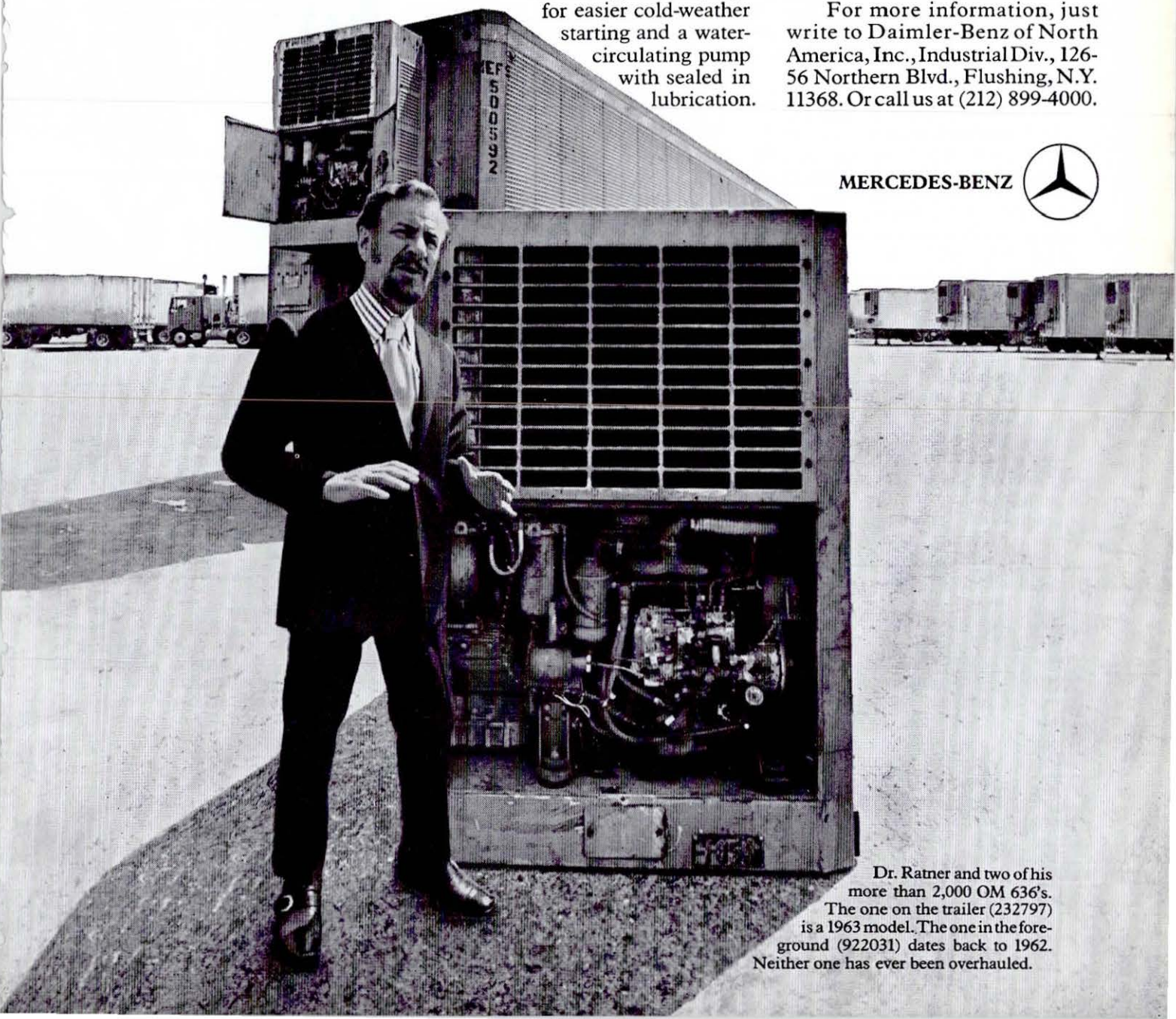


Dr. Ratner and two of his more than 2,000 OM 636's. The one on the trailer (232797) is a 1963 model. The one in the foreground (922031) dates back to 1962. Neither one has ever been overhauled.

ONE BIG PIGGYBACK SHIPPER SAYS:

"We've only scratched the surface"

BY R. D. BARTLEY, Associate Editor

It used to be that when anyone associated with the railroad business needed his spirits raised, he need only look at the statistics on piggyback loadings. Up, up, up they went, year after year—ignoring in some cases the trends of the national economy. Then in 1969, loadings leveled off, and actually dropped last year and so far this year—leading some industry observers to conclude that the golden years of piggyback are over.

This feeling about piggyback's potential is not shared, however, by John C. Allen, Sr., executive vice president and general manager of ITOFCA, Inc. "I think we've only just scratched the surface so far as piggyback is concerned," says Allen.

ITOFCA (for Industrial Trailer On Flat Car Associates) is perhaps the largest piggyback shipper in the nation. A non-profit shipper association, with headquarters in Clarendon Hills, Ill., a suburb of Chicago, and offices in 14 other cities, it handled the shipment of almost 76,000 trailers in the fiscal year ended June 1971. Its growth trend line—starting in 1959 when 459 trailers were handled for members—has been on a steady ascent.

● **Target: "The best package."** Among its 163 members are some of the nation's largest industrial firms, as well as the not-so-large. What ITOFCA and its 168-man staff does for members throughout the year is, essentially, "marry piggyback trailers on flat cars and coordinate their movements in such a way as to provide the best possible transportation package any shipper could possibly get," says Allen, Sr. "We seek to intelligently coordinate rail and motor-carrier services in making up the package."

Members of ITOFCA apparently like the way Allen, Sr., and his staff have been doing things. In August, for example, when nationwide trailer and container loadings showed a 2% increase over the totals for August 1970, ITOFCA was reporting close to an 11% increase. In September, the association had the second largest month in its 12-year history—second (by a slim margin) only to June 1970, a truck-strike month.

There's no indication, either, that things will taper off at ITOFCA, reports John Allen, Jr., vice president and manager of operations, who has been a member of the association's staff from the time it was formed. "For the first time in quite a while," he says, "we're experiencing shortages of flat cars as well as of trailers."

● **What's needed for growth?** Is it possible that piggyback has merely been pausing these past three years to catch its breath before embarking upon another strong growth period? Perhaps. But, before piggyback can experience any real growth again, Allen, Sr., indicates, the railroad industry itself, and the piggyback system in particular, will have to undergo some changes. Some of the major problem areas that have severe impacts on piggyback growth and service are:

—Labor relations. Strikes, and the threats of strikes, sometimes cause irreparable damage.

—Service. Consistency, not necessarily speed, is what most shippers would like to see.

—Communications. Failure to notify ITOFCA offices when delays occur causes unnecessary charges and shipper dissatisfaction.

—Pricing. If all the pertinent factors were considered, perhaps TOFC would no longer be regarded as the "high-price mode."

—Billing. Complexity of tariffs, lack of uniformity in accessorial charges, billing errors and so forth all tend to materially retard growth of the service.

Because it becomes acutely involved with a piggyback shipment from beginning to end, ITOFCA has been able to see the severe effect strikes or threats of strikes in the railroad industry can have on rail transportation, especially piggyback. Allen, Sr., is convinced that "if it hadn't been for strikes and all the threats of strikes, ITOFCA's business would have been much greater in the past two years, And over-all piggyback service would have increased, too, rather than drop off as it did."

● **Gone—forever.** To this, John, Jr., adds: "We know from experience that some of the business lost to motor carriers during strike-threat periods never returns to the rails. Truckers get a taste of this business that they perhaps never realized existed before—and they don't like to give it up."

Aside from developing a solution to the labor problem, railroads must do something about the consistency of piggyback service if they hope to recover

KEEPING TABS

A precise record-keeping system, says John C. Allen, Sr. (left), executive vice president and general manager, is needed to maintain control over the 76,000 trailers and containers which ITOFCA ships in a year. With him in the shipper organization's extensive file room is John C. Allen, Jr., vice president and manager of operations.

or attract business that's on the highway. Through an elaborate system of computing service failures, ITOFCA finds that in almost one out of four cases, railroads fail to perform as they should. About 75% of these failures occur in the terminal, Allen, Jr., says. (A service failure is defined by ITOFCA as a trailer being unavailable at destination at the time the railroad said it would be—with the association making allowance in its computation for such things as strikes, derailments, unforeseen weather conditions and so forth.)

Unfortunately, ITOFCA has discovered, "many top operating officers on the railroads relate service performance to road-haul performance, whereas we must relate performance to availability of the trailer at ramp destination."

Bad-orders on trailers and cars can cause serious delays, too, John Allen, Jr., reports. In some cases, such delays are regarded as intolerable by some of ITOFCA's members. He cited as an example one of the nation's major magazines and its willingness to pay premium prices for on-time service if it has to "because they feel that there's nothing more perishable than news, not even fresh fruits and vegetables."

● **Financing ITOFCA.** To become a member of ITOFCA, Inc., a firm must first pay an initation fee of $500. After that, there are annual dues of $200, plus a minimum management fee of $750 which provides the bulk of the non-profit association's operating budget. A special proration rule developed by ITOFCA determines how much a member will pay to have his trailerload delivered. As John Allen, Sr., points out, "The combined rail freight charges to members shipping a married pair of trailers will never exceed the total freight bill from the railroad."

What ITOFCA tells its members and potential members that it can do for them in handling piggyback shipments is make the entire procedure both easier and less costly for them. "One call does it all" is the way it's put. For the most part, ITOFCA would like to get this call at least a day ahead of the actual pick-up time of the trailer, but prides itself in being able to arrange marriages when notified at the last minute. Once the call is placed, however, there's no delay in getting the marriage-machinery in operation.

An important aid in consummating trailer marriages and in following

Genex: Similar service, different method

Formed four years after ITOFCA, Inc., married its first pair of trailers aboard a flat car, Genex Terminal Co. performs a similar kind of service, but goes about it in a different way. Whereas ITOFCA is a non-profit shipper organization, Genex is a shippers' agent and, as such, consolidates trailers on flat cars, and does it for a fee—$30 per trailer—which is the basis for profit.

The ground-rules governing operation of the two are different. For example, ITOFCA cannot actually solicit business; Genex has salesmen. The former will coordinate TOFC shipments all across the country; Genex operates only out of the Chicago terminal district, although it could expand elsewhere if it wished. ITOFCA, since it is, in fact, the shipper (although ITOFCA people rarely see one of their trailerloads), can get the full transportation bill and present it to the member; shipping by Genex, a shipper pays the drayage charges himself and pays only the railroad freight bill and the agent fee to Genex.

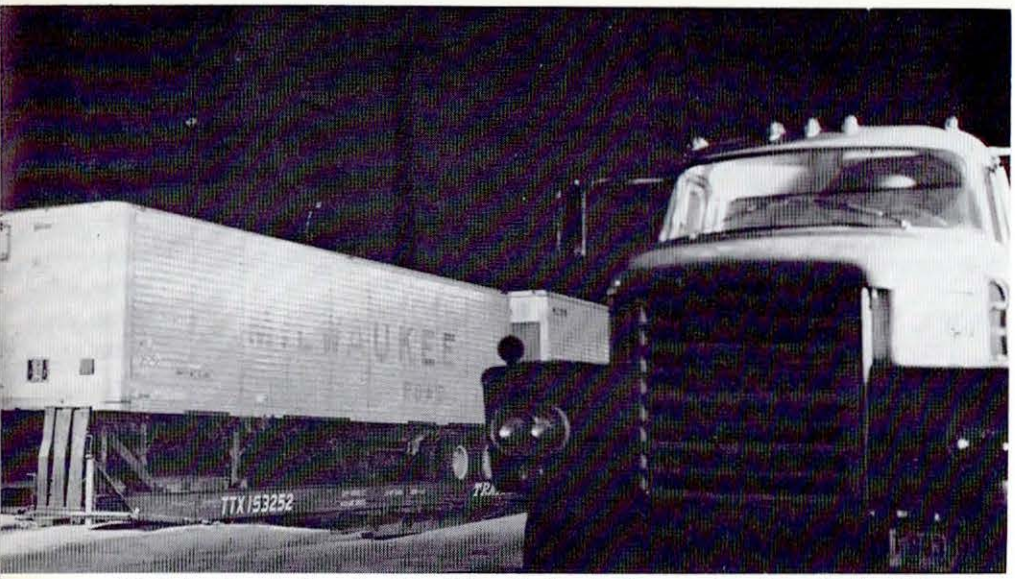
Starting out in 1963 with "just a desk and an idea," recalls J. D. Middleton, executive vice president and a co-founder, Genex has grown to where it now has a 28-man staff. The firm routes shipments to over 1,500 cities in all parts of the nation and overseas. It uses Plans 2½ and 4, and performs its services within the bounds established by the Interstate Commerce Act.

Like the two Allens at ITOFCA, Middleton fairly bubbles with enthusiasm for piggyback and its projects: "Do you know that there are 760,000 40-foot dry vans moving each year between Chicago and St. Louis? That's 2,280 trailers an hour. If the railroads could capture just one-half of that business, their total national piggyback carloadings for the year could show a huge percentage increase. We've got to get that traffic on the rails, and I think we can."

Genex, as well as others who consolidate and coordinate shipments, are partners with the rail carriers in "selling services which belongs exclusively to the railroads—namely TOFC and COFC," says Don Middleton. "Too many railroads, however, might be overlooking another very, very important salesman who can sell TOFC services—the short-haul motor carrier. He's a good salesman, and he has the contacts with thousands of shippers," Middleton stresses, and then adds with a chuckle: "Besides, the railroads don't have to pay him a salary, and he doesn't turn in an expense account each month."

Genex sells the piggyback concept to the short-haul motor carriers as well as shippers. Although Genex makes the piggyback consolidations for shippers only in Chicago, these customers may actually be located in Michigan, Ohio or maybe Indiana. In the case of shippers in these outlying areas, salesmen, or maybe a short-haul motor carrier, will sell the idea of trucking the trailerload to Chicago and allow Genex to consolidate it aboard a flat car, providing the shipper the reduced carload TOFC rate.

"Any railroad that makes it easy for these short-haul motor carriers to do business in connection with piggyback will find itself with another good, low-cost piggyback sales force," Middleton emphasizes. "Those of us interested in piggyback should break away from old patterns, try something new, and we'll really see this business grow."



ITOFCA ships trailers to 605 different piggyback ramp locations in the U.S.

through on shipments and billings is the association's ultra-modern telephone-Teletype communications network based at the Clarendon Hills headquarters. Communications costs per year run well over $200,000. But, as Allen, Jr., points out, such expenditures are absolutely essential to assure rendering of the best possible service.

Since about 65% of all the trailers handled through ITOFCA involve the Chicago area, the Clarendon Hills office is the organization's largest. Where some of the regional offices may have just one coordinator assigned to follow trailers flowing in and out of the territory, the main office has four such coordinators, each one assigned to a major territory —Official, Southern Freight Association and so on. The coordinator initiates all the action needed to get the trailer moving.

● **Needed: Good records.** The real basis for control of the entire operation is "good record-keeping," says Frank Hennig, vice president and comptroller. "We'll have a total of 12 documents drawn up for a trailer before the file on it is closed."

Railroads, ITOFCA has discovered, are inconsistent in their billing procedures. And it's costing them money, adds Allen, Sr. For example, in addition to discovering numerous cases of overbilling for rail services last year, the association found many more cases in which the railroads had, in fact, failed to charge enough. "We increased the railroads' line-haul bill by $191,00," he states. "One wonders how much more is lost each year due to improper billing of other shippers."

To help speed up its bill-paying, ITOFCA actually pre-computes the freight bill. If the bill rendered comes within $1 of what was computed, it's paid immediately. If not, an investigation is launched. Hennig is convinced that many of the improper bills submitted are the direct result of the vast turnover of personnel in railroad billing departments. Tariffs are frequently quite complicated and confusing enough to cause an improperly-rated bill to arrive at ITOFCA offices.

If good record-keeping is the basis for control of the trailer movement, identification of the freight bill of lading is the key to the entire ITOFCA procedure. The bill-of-lading number must accompany every document that concerns the trailer movement. Not only does it help in maintaining control of the trailer movement but it is also helps get the bill paid much faster. Freight bills, tracers, cartage bills, equipment inspections and so on must have the bill-of-lading number, Hennig insists.

● **How about costs?** Another thing that may be retarding piggyback's growth, Allen, Sr., feels, is the improper allocation of costs. "I think there may be a real communications gap between railroad pricing people and those responsible for piggyback performance," he says, adding that more emphasis should be placed on determining what piggyback really costs a railroad. "Statistics indicate," he says, "that the average TOFC trailer or flat car may produce five times the number of revenue movements that a box car will in the same period of time."

"Maybe it's time to review the cost formula used," says Allen, Jr. "If the railroad would isolate those items that will always move in box cars no matter what happens, and then compare the remaining box car volume with that of piggyback, then piggyback might gain quite a bit of stature, and actually represent a much larger share of the market."

As a customer who depends solely upon piggyback, Allen, Sr., is dismayed at what he regards as a somewhat listless selling effort some roads are making compared with what was being done four or five years ago. He sees a tremendous market for TOFC traffic in the 400-miles-or-less category and between population centers, with the flat cars moving in dedicated trains in high-volume, point-to-point service. He wonders if it's realistic for railroads to surrender this short-haul business to the motor carriers, except on certain Plan II movements.

Although he has never been able to secure any figures that would compare claim costs of box cars vs. piggyback, Allen, Sr., thinks that maybe piggyback will produce more damage-free loads. If this should be true (and he feels it would be worthwhile for the roads to conduct a comparative cost analysis), then perhaps piggyback could be more realistically priced so as to be competitive with the box car and with motor carriers on short-haul runs. ITOFCA, for one, would probably become a major customer of this short-haul piggyback service if it were properly priced.

"Piggyback is a natural for the railroads—and for many shippers, too," says Allen, Sr. "But it needs a shot in the arm." Its benefits need to be exploited more, he stresses. ■

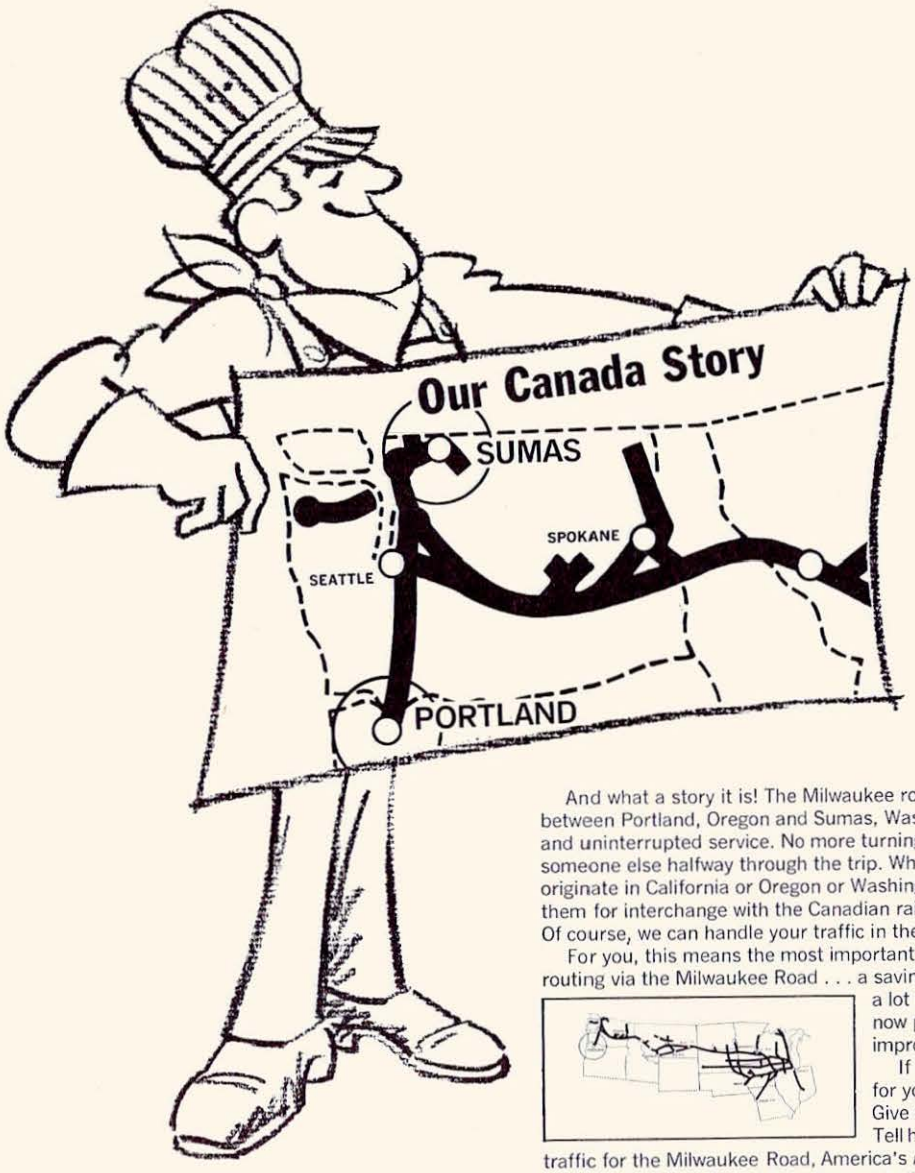
Marrying "pigs" is Allen's big job

The large framed-color photograph that dominates the back wall of John C. Allen, Sr.'s office shows an emotional scene—two pigs gently nuzzling each other. Located not too far away on the same wall is an obviously-fake certificate which bestows upon Allen the honorary degree of Doctor of Divinity. Combine the messages carried in these two wall decorations and therein lines the clue as to what Allen's occupation is and to what ITOFCA, Inc., is all about.

"Both were presented to me by members of our organization," says Allen. "They mean that my job is one of performing marriages of 'pigs.' The "pigs," of course, are piggyback trailers.

Allen is executive vice president and general manager of ITOFCA, which consolidated, or married, close to 76,000 trailers aboard flat cars this past year so as to get the best possible freight breaks for the 163 members of this non-profit piggyback shipper organization.

This is our Canada Story



And what a story it is! The Milwaukee road now operates all the way between Portland, Oregon and Sumas, Washington with direct and uninterrupted service. No more turning your shipment over to someone else halfway through the trip. Whether your shipments originate in California or Oregon or Washington, we can now handle them for interchange with the Canadian railroads at Sumas. Of course, we can handle your traffic in the other direction too!

For you, this means the most important advantage of all when routing via the Milwaukee Road . . . a savings in time. It means a lot to us, too, because we can now provide you with an improved, competitive service!

If we sound like we're eager for your business, we are. Give our representative a call. Tell him you've got some Canadian traffic for the Milwaukee Road, America's *resourceful railroad!*

The Milwaukee Road, Union Station Building, Chicago, Illinois 60606.

Now you can ship farther on . . . THE MILWAUKEE ROAD

L&N puts it all together with a dynamic TOFC program. L&N intermodal provides: (1) reduced costs, (2) total flexibility and (3) speed . . . prime factors you need for efficient production and marketing. Even if you're miles from the L&N tracks, L&N makes proximity a reality. No matter where you are, L&N distribution comes to your aid.

Compare! Even without a rail siding, you can probably ship for lower cost than by other carriers.

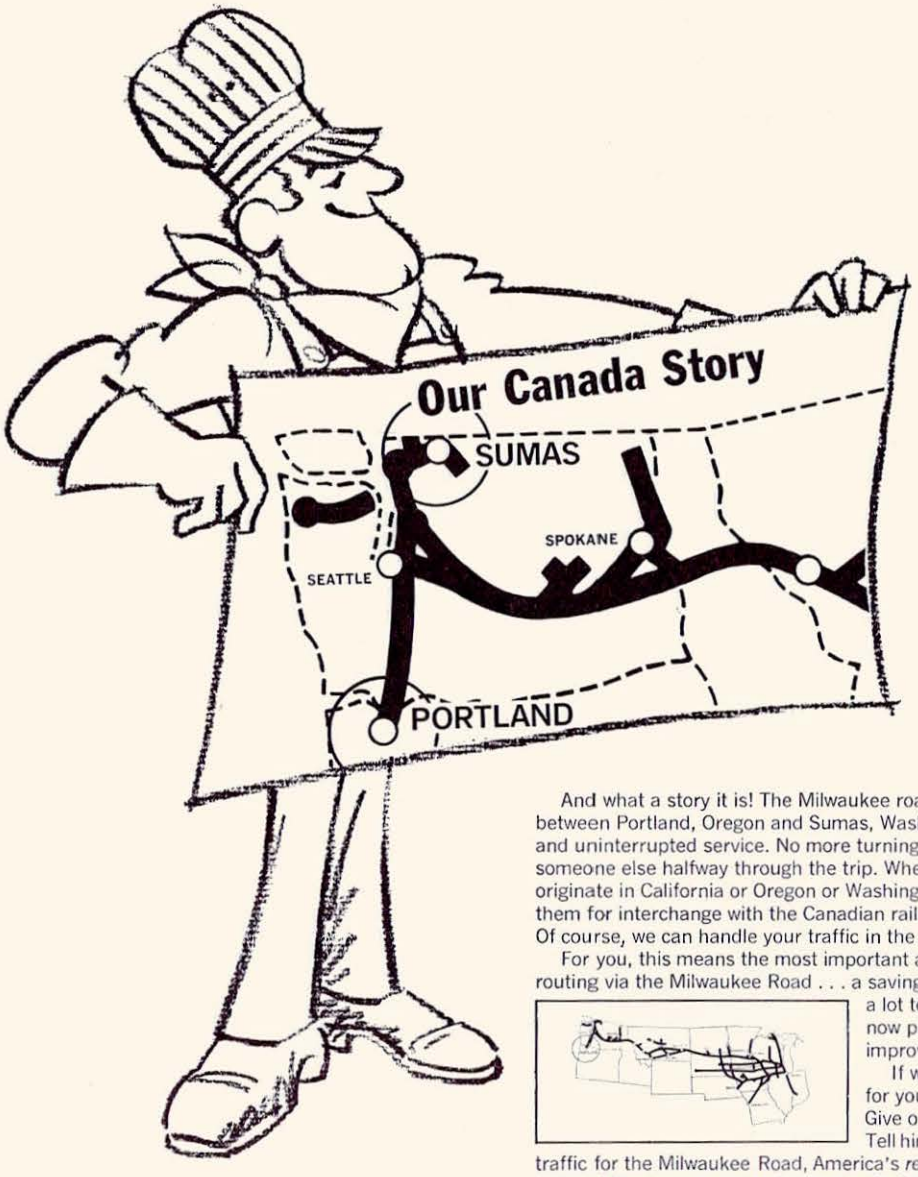
Learn the facts! Your L&N Freight Representative knows his business. He can advise you of all available intermodal plans and tailor a total program that adds up to dollars and sense. *L&N is dedicated to more value for the distribution dollar. This year, everything points to L&N progress in your behalf.*

L&N

THE LOUISVILLE & NASHVILLE RAILROAD

Proximity... made to order.

This is our Canada Story



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The Milwaukee Road, Union Station Building, Chicago, Illinois 60606.

Now you can ship farther on . . . THE MILWAUKEE ROAD

THE BELL SYSTEM HAS 13,000,000 MILES OF DIGITAL COMMUNICATIONS CHANNELS, AND IS ADDING TO THEM AT THE RATE OF 8,000 MILES EVERY DAY.

If this is welcome news to you in the data field, good. But our purpose is broader. Our purpose is better service for all Bell System customers.

You see, we have one fully integrated network. It has both "analog" and "digital" channels...and has had for many years. Signals travel as waves on one and as pulses on the other. Regardless of the original source or form of the signal, whether human voice or computer, we readily transform it to travel over either channel.

This flexibility makes virtually all of our network available for data transmission. It keeps charges low. And it gives us alternate routes should trouble arise.

Then why are we going heavily digital? Because with modern electronics, especially solid-state circuitry pio-

neered at Bell Labs, digital transmission is better not only for data but for many other services as well.

Digital transmission is better because it eliminates many kinds of noise, thereby getting more information over the same size cable with greater accuracy.

Digital is clearly technology's best answer to many of America's future communications needs. It will benefit everybody, not just our data customers.

We have 13 million channel miles of digital now, and we have definite plans for the near future.

- For 1972, a new digital system that will operate at 6.3 megabits per second, four times the speed of our present all-digital lines.
- By the mid-'70's, initiation of private line service on an end-to-end, fully digital basis which will ultimately serve every major city in the country.
- By the late '70's, waveguide systems capable of thousands of megabits per second.
- By 1980, the Bell System's network will be four times its present size. A large proportion of it will be digital—enough to provide ample capacity to meet America's data-handling needs.

The American Telephone and Telegraph Company and your local Bell Company are continually working to improve service to business.

This time by increasing digital services to benefit all our customers.

L&N puts it all together with a dynamic TOFC program. L&N intermodal provides: (1) reduced costs, (2) total flexibility and (3) speed . . . prime factors you need for efficient production and marketing. Even if you're miles from the L&N tracks, L&N makes proximity a reality. No matter where you are, L&N distribution comes to your aid.

Compare! Even without a rail siding, you can probably ship for lower cost than by other carriers.

Learn the facts! Your L&N Freight Representative knows his business. He can advise you of all available intermodal plans and tailor a total program that adds up to dollars and sense. *L&N is dedicated to more value for the distribution dollar. This year, everything points to L&N progress in your behalf.*

L&N

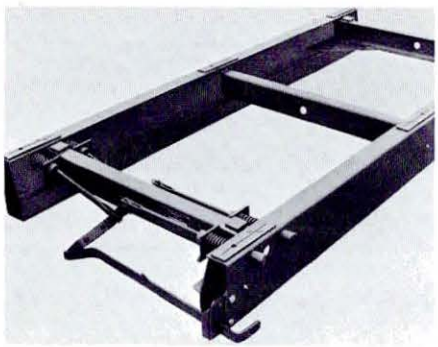
THE LOUISVILLE & NASHVILLE RAILROAD

Proximity... made to order.

New Products Report

Refrigeration units (RA-1)

The self-contained, removable "clip on" refrigeration unit, Model 69NK, is attached to the forward wall of 20-ft insulated containers when the latter are traveling by rail or over the road. The unit, removed at dockside when container is loaded aboard ship, consists of an open compressor directly driven by an air-cooled diesel engine, an air-cooled condenser, fan-coil evaporator and controls. Heating, when required, is supplied by hot gas from the compressor. Model 6004A is a diesel-electric, one-piece nosemount for installation through the forward wall of reefer containers or trailers. Diesel power is used for rail or over-road hauls and external electric plug-in is available at dockside or aboard ship. High cooling and heating capacity is available with either power source. Temperature selection ranges from -20 deg to +80 deg F. A uniform depth of only 28 7/8 in. features the shallow-depth, bulkhead-mounted Model 69ND, a completely self-contained diesel-electric for 40-ft containers 8 or 8½ ft high. *Carrier-Transicold Co.*



Trailer sliders (RA-2)

The upper rails and side sills of the true-tracking Commando Series trailer sliders are of special roll form. Front location of linkage mechanism and release handle is said to avoid misalignment by torsion motion on the road. Lock pins pull rather than push-pull the tandem. Each pin of the tamper-proof dual locking system locks into place individually. An additional safety lock which swings into place can be padlocked or sealed. Hold-down systems prevent dropping of tandem when lifted for piggyback service.

Three Van models and a Flat Bed/-Chassis model are included in the Commando series. The 5600-4 Glide Slider features a pre-selector which automatically locks tandem in a selected position when the driver repositions the slider; Model 5645-4 is without the pre-selector. The Roll model moves on six 4 1/8-in. diameter contoured trailers, and the low profile construction of the Brutes flatbed/chassis series raises deck height of trailer only 3/4 in. An all-friction model and a combination friction/roller model are also available. *Binkley Co.*

Expandable spreader (RA-3)

Fitted with the hydraulically expandable container handling spreader available as optional equipment on the largest Yardster fork truck built by Taylor Machine Works, the fork truck can handle American National Standards Institute and International Standards Organization cargo containers from 20 to 40 ft long with a maximum gross weight of 67,200 lb. The spreader is intended for use with fork trucks, gantry cranes, and other overhead handling equipment at railroad terminals and marshaling yards near seaports. It can be removed in 15 min. to convert the unit to a conventional fork truck. *Midland-Ross Corp.*

Tank containers (RA-4)

The 20-ft intermodal tank containers now in use both in domestic and international traffic by road, rail and ship, are said to remove the need for a truck or trailer chassis with each tank unit and, in many cases, to reduce expensive attached unloading equipment. The high-strength steel frames in which

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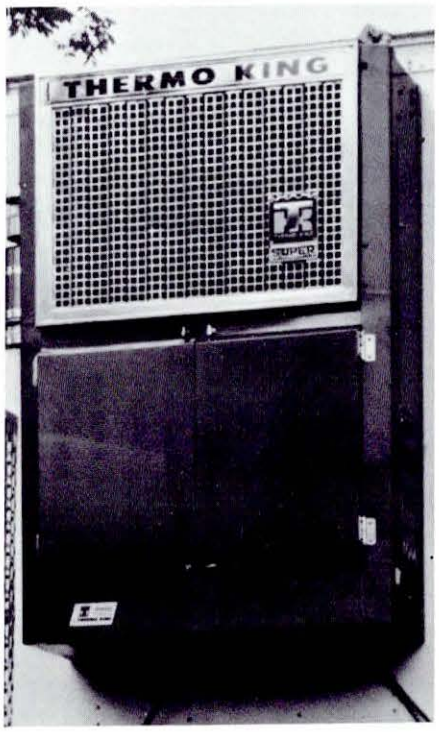
4,800-gallon tanks rest meet all ISC requirements for handling and stacking. Fork-lift pockets are provided for empty handling. An access ladder on the side and open-mesh-steel decking across the roof give safe access to the manhole. The unit also has a 4-in. steam line with quick disconnect couplings. Product protection is increased by 1-in. urethane insulation on the outside of the tank shell, sealed with rubber based paint. *Interpool International Limited.*



Refrigeration unit (RA-5)

The one-piece, heavy-duty model Super NWD transport refrigeration unit is powered by a four-stroke, diesel-powered engine, driving a Thermo King Model 426 compressor, which is mounted on the engine flywheel housing. After the initial start, the power plant operates continuously, maintaining desired temperature automatically. Glow plugs assure fast, easy starting. The Super NWD includes an 18-quart engine oil sump, providing up to 1,000 hours of service between oil changes; large capacity exterior air cleaner, requiring servicing only once every 1,000 hours, and a unitized control panel assembly which can be replaced in minutes. The evaporator coil has copper tubes and aluminum fins; the condenser is positioned over the radiator for more efficient heat transfer. The three-way valve assures proper control of cooling, heating and defrost cycles. The accumulator uses engine coolant to supplement heating and defrost cycles. *Thermo King Corp.*

Power support (RA-6)

Power Supports are engineered to provide operators with fast and efficient coupling and uncoupling ability while eliminating time-consuming hand cranking. Mounted on either straight or drop frame trailers, Power Supports lift equipment easily and efficiently—needing only 15 seconds to raise an empty trailer three inches under average conditions and only 150 seconds to lift 50,000 lb. the same distance. The supports are powered by an air-driven, re-circulating hydraulic oil system activated by tractor air.

On uneven terrain, the unit has a built-in leveling device which enables the driver to extend one support leg at a time to level the trailer. Retracting is simple and fast. All the driver has to do is flip a lever for the supports to retract, even if they are mired in mud or frozen earth. The driver simply hooks up the tractor air lines to the trailer glad hands and automatically the system is activated. Two levers control the desired action. One selects the position required—either quick retract, slow retract, extend both legs or extend individual curb or roadside legs for leveling. The other lever switches the air-motor on or off to carry out the function selected. *Fruehauf Division, Fruehauf Corp.*

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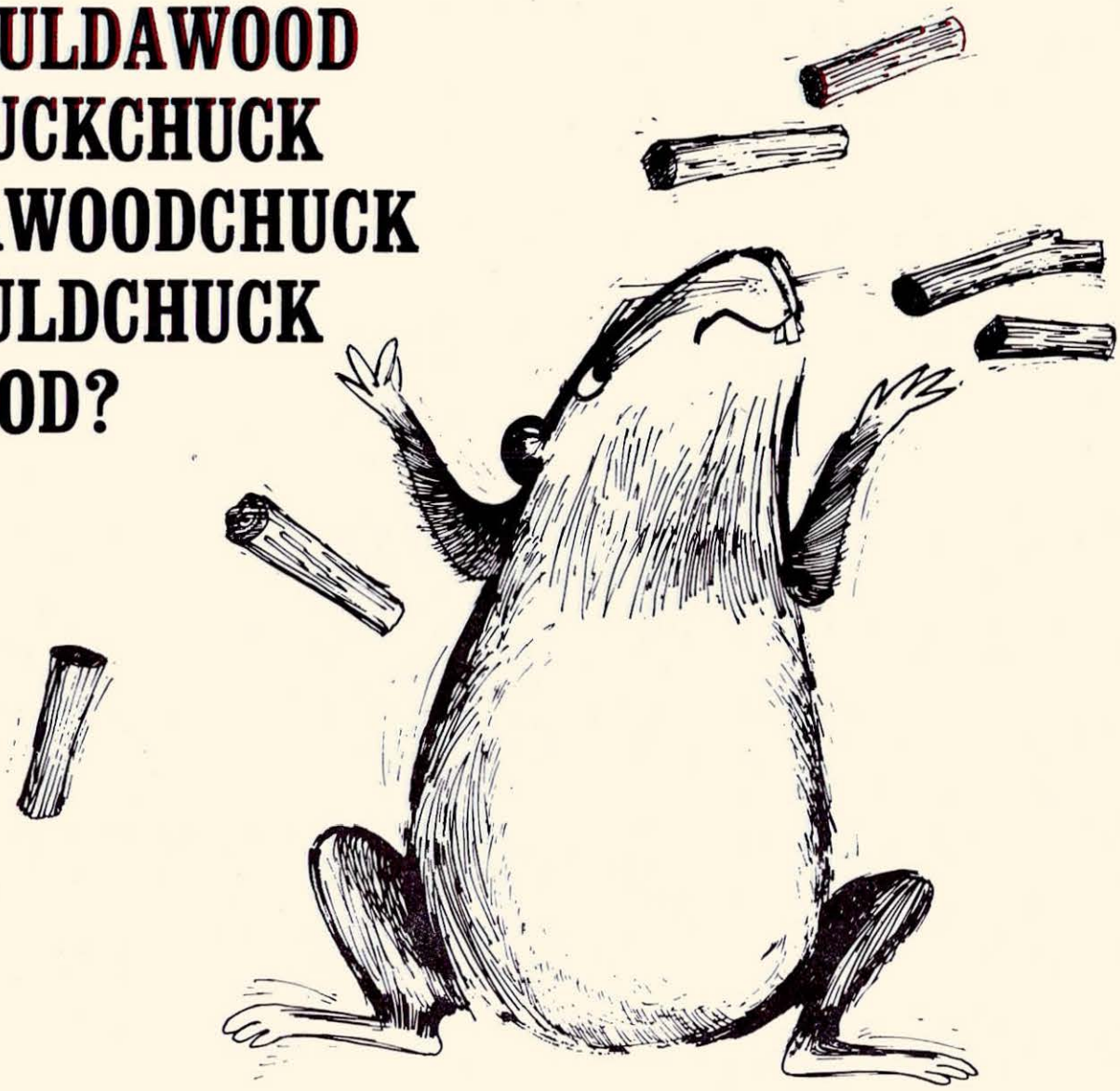

Plenty, according to five paper companies served directly by Kansas City Southern. These companies (International Paper Company, Boise-Southern, Georgia-Pacific, Pineville Kraft, Nekoosa-Edwards) together chuck some 3 million cords of pulpwood annually.

Because their plants are served directly by Kansas City Southern, their production schedules are aided by getting the raw materials in and the finished products out on schedule—to midwest and eastern markets and to foreign markets through five Gulf ports (New Orleans, Baton Rouge, Lake Charles, Beaumont, and Port Arthur).

Good rail facilities are vital to the growth of these companies. Supplying good rail facilities is vital to ours. That's why we got together.

Kansas City Southern offers you choice industrial sites near large metropolitan areas to help you get your products to market faster nationally and internationally. Kansas City Southern is a "full-service" railroad.

A good line to remember.

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Telephone (816) 842-0077
Circle 19 on coupon page 47

OCTOBER TRAFFIC POLL:

TOFC shippers want lower rates, better service

The simple trouble with piggyback, say shippers who use the service, is that railroads are charging premium rates for less-than-premium service.

Thirty-seven out of 40 piggyback shippers participating in Railway Age's October Traffic Poll complain about rising TOFC/COFC rates. Twenty-three of these find service deteriorating.

Gordon R. Anderson, general traffic manager, Dow Chemical, Midland, Mich., sums up the majority report: "Poor service, plus higher rates, is diverting increasing volumes of TOFC/COFC traffic to motor carriers. Railroads must improve service (including equipment availability), stabilize rates, and eliminate mixture rules."

The Railway Age poll posed two questions: (1) Why, in your view, is railroad piggyback traffic declining, after years of steady growth? (2) What can railroads do, if anything, to persuade you to give them more piggyback traffic?

While most shippers listed rising rates and declining service as their prime gripes, other reasons were also given for piggyback's troubles. Among these was less aggressive rail promotion of piggyback, coupled with an intensification of sales efforts on the part of truckers. Half a dozen piggyback users complained of unsatisfactory damage-claims procedures.

The poll turned up bouquets as well as brickbats. Said Jesse W. Syme, territorial manager for Sears, Roebuck in Alhambra, Calif.: "Sears has continued the steady growth of TOFC and COFC traffic, calculated on a total cost and convenience basis." Lyman McLane, manager of traffic and distribution for Campbell Taggart Ass'd. Bakeries, Dallas, reported "excellent piggyback service from Chicago to Texas on piggyback loads," and praised the railroads for "coming in almost monthly with new proposals."

But as in previous piggyback polls, the complaints outnumbered the compliments. Some sample comments:

"My biggest two complaints: (1) Equipment is scarce or not fit to carry food products. (2) Delays in transit. Piggyback has done a great deal to eliminate terminal delay at origin and destination—but why doesn't it move on fast, through trains only? Houston to Montreal, shipped 9/23, arriving Montreal 10/5—no good!"—J. L. Bergen, traffic manager, Uncle Ben's Inc., Houston, Tex.

"When we began making shipments from Williamsport, Pa., to Atlanta, Ga., through the association, ITOFCA, in 1965 and 1966, trailers were delivered in four days. Recently it has been 6-7 days, and we've had to go back to truck on much of it."—O. B. Wynn, traffic manager, Ray-O-Vac Division, Madison, Wis.

"Our experience showed: (a) Service

(Continued on page 66)

"Railroads should stop sabotaging efforts of other railroads. . "

John P. Zumwalt

"Railroads handled in TOFC transportation over 50% of the meat volume from midwestern and southwestern states to Official Territory up to Jan. 1, 1971. In 1971, railroads simply priced their service out of the market by increasing TOFC rates drastically and applying the full increases under X-262, X-265-B and X-267-B. The result was that in 1971 rail TOFC participation dropped to less than 10% of total volume in our company. The meat packing industry in 1971 supported additional motor carrier operating authority and encouraged motor carriers to expand their fleets to handle the tremendous volume of meat abandoned by the railroads. Motor carrier rates were substantially lower and they offered faster and more reliable service, and less claims by better handling of product.

"Recognizing their mistake, railroads attempted to reduce TOFC rates by removal of X-267-B (12%) in October 1971, which would have been a giant step in the direction of greater participation of meat traffic. Upon protest of one large western railroad who refused to participate in the adjustment, the ICC suspended the reduced rates for 7 months.

"Railroads should:

"A. Stop sabotaging efforts of other railroads by running to the ICC with protests on rate adjustments or merger efforts they are not in accord with. The same railroads resorting to these legal maneuvers complain bitterly of ICC regulation and emphasize deregulation and the right to manage their own business.

"B. Recognize that their participation in traffic by TOFC is dependent upon either offering a cost advantage or a service advantage that the motor carrier is unable to offer. They must offer a better 'mousetrap.'

"If railroads are unable to provide a lower operation cost or superior service than a motor carrier and end internal bickering, I see a dismal future in TOFC for transportation of meat."

John P. Zumwalt
General Manager
Distribution & Purchasing
Wilson Certified Foods, Inc.
Oklahoma City, Okla.

"A helpful source for checking our progress and performance"

In our efforts to bring Penn Central through a successful reorganization, we are seeking new ways of making our railroad more efficient in meeting the needs of shippers.

That is why I read RAILWAY AGE and encourage my associates at Penn Central to do so. RAILWAY AGE is, in our estimation, a helpful source for checking our progress and performance against other railroads.

William H. Moore, President
PENN CENTRAL TRANSPORTATION CO.

PENN CENTRAL

RAILWAY AGE AS SEEN THROUGH THE EYES OF RAILROAD PRESIDENTS- NO. 6

It has never been so urgent to train and upgrade employes ——or so easy!

. . . Or so inexpensive!

Home-study courses, tailored to the different needs of the maintenance-of-equipment department, can develop skilled journeymen from your present force of unskilled labor. It can cost as little as $6 per month per trainee. The Railway Educational Bureau provides the courses, and does the grading.

Many railroads use it!

The Bureau already has formal arrangements with about a third of the Class I railroads, and, with many industrial and other short-line roads. The completion of four-year courses qualifies apprentices as journeymen. Some roads use accelerated programs, turning out skilled machinists, electricians, carmen, car inspectors and other craftsmen in as little as three years. In the case of especially responsive students, two years is sufficient for the regular four-year course. Many other railroads use shorter REB courses for upgrading and refreshing. The Bureau also offers four two-year courses, as follows: Locomotive Engineers, covering diesel-electric equipment and air brakes; Locomotive Electrical Equipment; Locomotive Mechanical Equipment; and Car Inspectors and Carmen.

Railroads and trainees get feedback

Instructors of the Railway Educational Bureau, all active railroad men themselves, grade students' examination papers and make individual comments and suggestions to the students when such help is needed. In the case of formal, company-sponsored programs, the railroad gets a monthly report of each student's progress.

Who qualifies?

Any railroadman. Courses are written for employes with a high school level of education.

How to participate

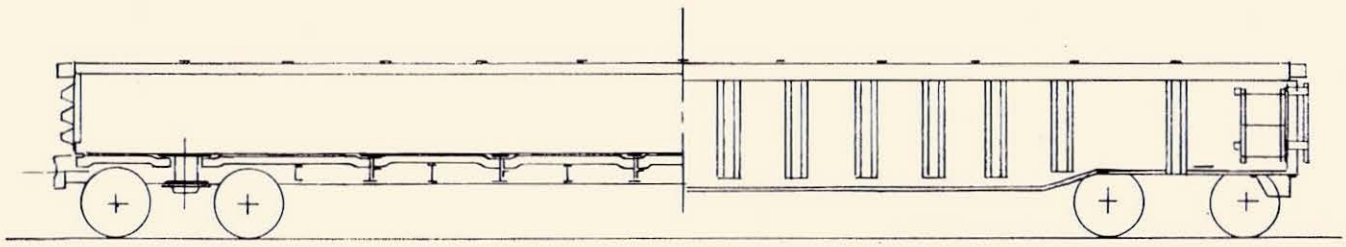
Besides formal apprentice training programs on a contract basis, railroads may help an employe by paying half his monthly tuition, or all of it, or by reimbursing the employe on successful completion of his training. Or they may authorize payroll deductions.

For more information

Write now, or phone, Reid Kenedy, Railway Educational Bureau, 1809 Capitol Ave., Omaha, Nebr. 68102, telephone (402) 341-7889.

Railway Educational Bureau

Get your next car at a 2000-car add-on price.



We're building 1500 100-ton 52'6" and 500 70-ton 65'6" fixed end steel floor gondola cars.

And that can save you big money, because add-ons to our production line are now available for sale or lease. And no matter how few you order, you still get them at our 2000-car add-on price.

You can see these cars as they're being built at our Clifton, New Jersey, plant. All have extra-quality, high-strength features like those shown below—but we can also give you a choice of options on your cars. We can handle financing for you, too.

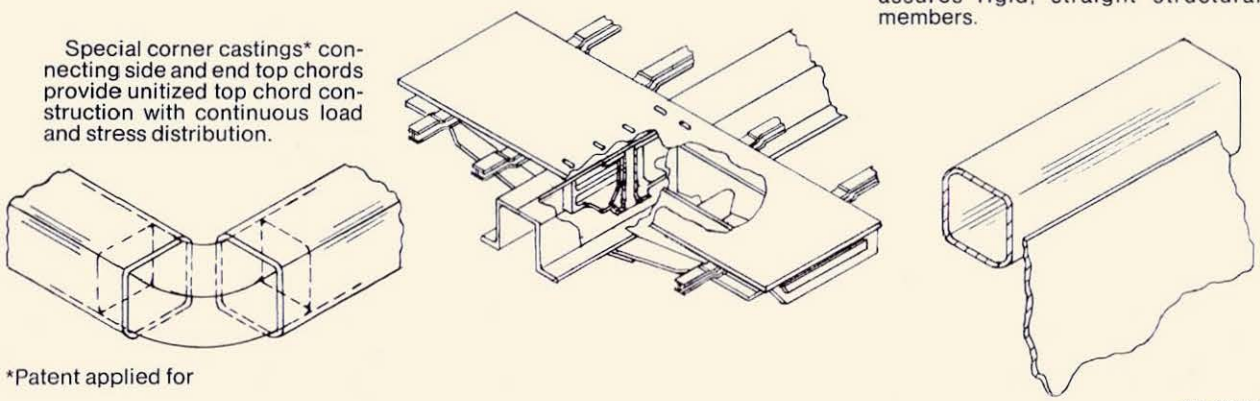
To learn how little your next gondola cars can cost, contact Fruehauf Railcar Division, Fruehauf Corporation, 660 Van Houten Avenue, Clifton, New Jersey—telephone (201) 779-1976.

TOTAL TRANSPORTATION

Bolster design exceeds AAR requirements. Cover plates, webs and tie plates of heavy Hi-Tensile steel. Center filler is cast steel with integral center plate.

One-piece cold-formed steel tubular section for side and end top chords assures rigid, straight structural members.

Special corner castings* connecting side and end top chords provide unitized top chord construction with continuous load and stress distribution.



*Patent applied for

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A DIVISION OF FRUEHAUF CORPORATION

Circle 20 on coupon page 47

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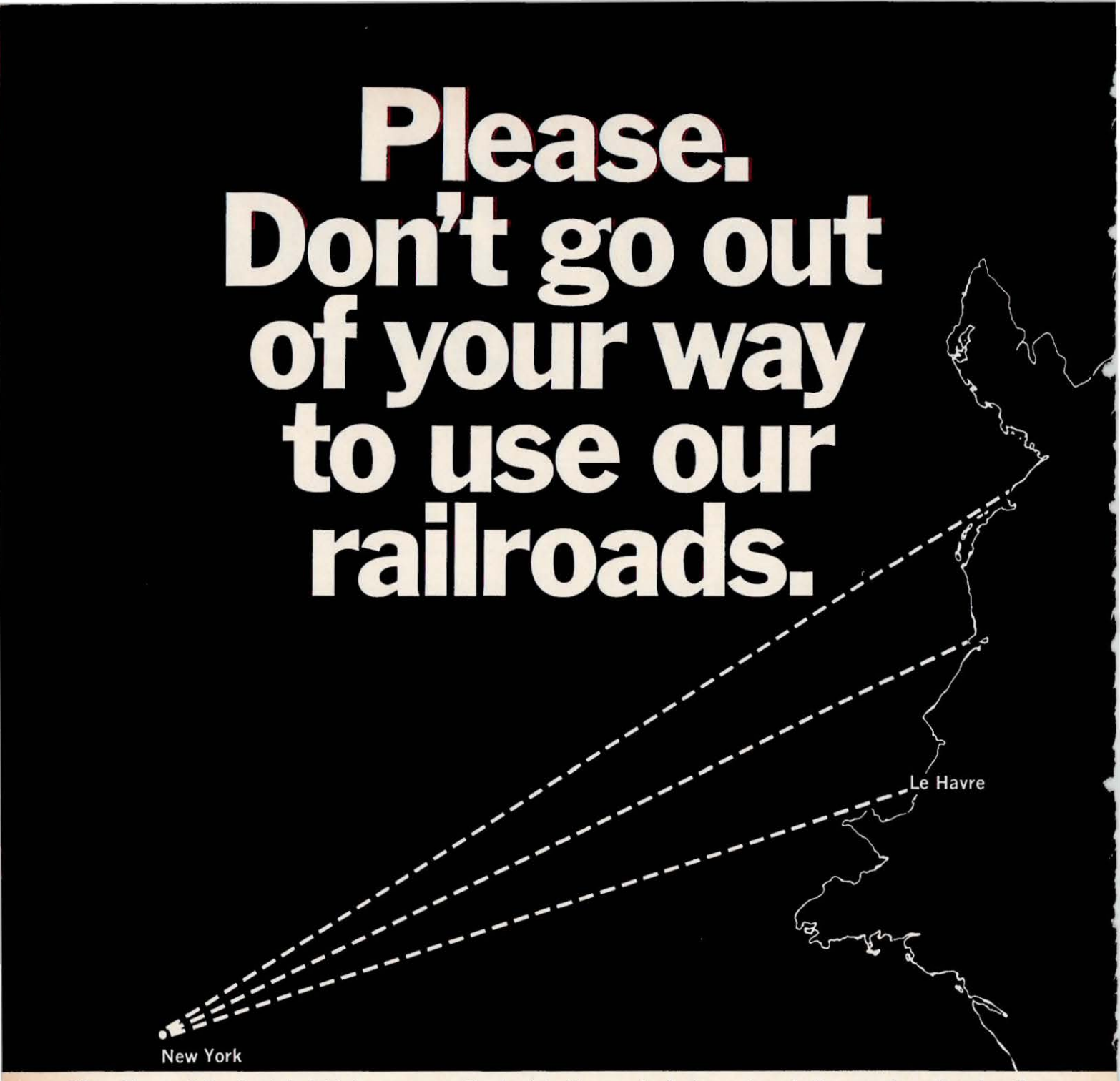


Why ship containerized freight to any other port in Europe when French National Railroads and its affiliated Company, "Compagnie Nouvelle des Cadres", specially created to handle containers, can deliver your goods from Le Havre to "les customers" faster.

Containerized freight consigned to Le Havre is on the railroads to your markets in Europe (at 70 miles an hour) while freight consigned to other major ports is still at sea.

The containerized freight handling facilities at Le Havre are now among the best in Europe. In fact they are so advanced that we can guarantee scheduled shipment of your freight to the consignee anywhere in Europe.

The freight trains are waiting at the dock. Equipped to handle any size containers. And your shipment goes direct from the boat to the train. With no lost dock time.

From Le Havre, the French National Railroad's track network fans out to Europe. Within hours your goods are in Paris—Lyons—Geneva—Munich—Zurich. Anywhere in Europe where there's railroad track. And our freight trains are prompt, punctual and dependable. This means efficient and economical service to you and your customers.

So don't go out of your way to use our railroads and get your goods to market faster.

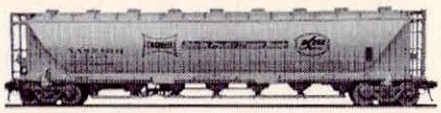
For further information write to the French National Railroads 610 5th Ave., N. Y. New York Freight Department D. Or call French National Railroad at 582-2110.

FRENCH NATIONAL RAILROADS

Circle 21 on coupon page 47

We threw away the paper bags and found a way to ship TiO_2 in bulk

■ *Another example of North American Car innovations that turn demanding customers into happy working partners*



■ Kerr-McGee Chemical Corp. is a large producer of titanium dioxide (TiO_2). It's used in rubber, plastics and inks among other things but perhaps its biggest use is as a white pigment in quality paints.

TiO_2 is rough stuff to ship. It's very fine-grained, compacts tightly, and sticks to things stubbornly.

It is customarily shipped in heavy, strong paper bags. The bags cost money. So does getting the TiO_2 in the bags, stacking, palletization, breakage, and handling.

Obviously, if large volume users could handle TiO_2 in bulk without affecting product purity, a lot of time and money could be saved.

Kerr-McGee transportation, packaging and marketing executives took the problem to North American Car. Together, we worked out a solution.

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Innovations like this are old stuff at North American Car. It's the best way we know to turn demanding customers into happy working partners.

North American Car Corporation, 77 South Wacker Drive, Chicago, Illinois 60606. (312) 346-0400.

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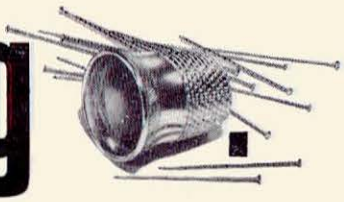
NORTH AMERICAN

■ *COME TO NORTH AMERICAN . . . FOR CARS THAT SOLVE YOUR PROBLEMS*

Circle 13 on coupon page 47

LTL-LCL shipping



We're ready for it!

WE WANT YOUR BUSINESS.

We're ready for it with 29,000 miles' worth of rail and truck routes. All over our 12-state area.

We're ready for it with 11,000,000 dollars' worth of new trucks, terminals, and automated handling equipment.

We're ready for it at any of our 75 service offices nationwide. Give us a call.

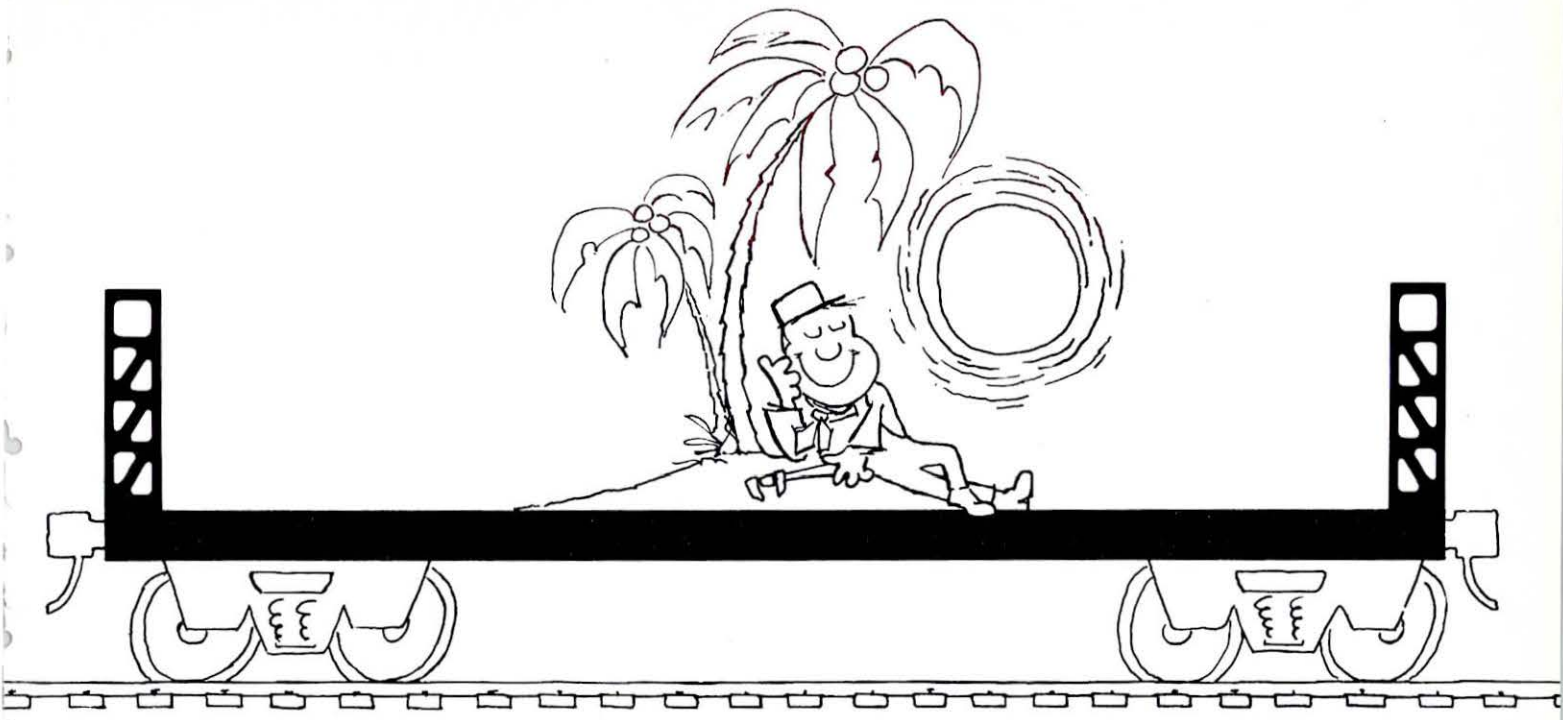
We want your LTL-LCL business. Today. Because tomorrow, you may be shipping trainloads. And we're ready for that, too.

mo-pac hauls all

all cargoes . . . all quantities . . . intermodal . . . worldwide

Missouri Pacific / Texas & Pacific / Chicago & Eastern Illinois / Missouri Pacific Truck Lines / Texas & Pacific Motor Transport

Circle 23 on coupon page 47



Our objective is to put your flat car "repair departments" out of work! We do it by building flats with GSI One-Piece Cast Steel Underframes. They can take the shock and impact of today's long trains. Your cars stay on the road and out of the shop. That's why GSI Underframes are worth every dollar you invest in them.

CASTINGS DIVISION | GSI

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CLARK
EQUIPMENT

Meet the Clark Swinglift.

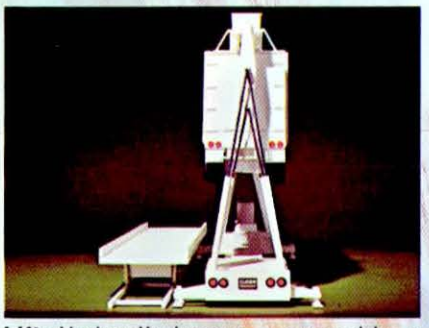
It lifts up to 80 units a day... at a price you can easily swing.

Now—an unloader especially designed for tight-quarter use at intermediate-volume yards. Or at larger-volume terminals as a supplementary loader.

It's the new Clark Swinglift—our low-cost, hydraulically-powered side-loader that can lift up to 70,000 lbs—piggyback or container.

It's simple to use. Any truck tractor can pull it right next to the loaded flat-car. One man controls the Swinglift's self-contained hydraulic system with a portable console. He extends stabilizers. Then puts the powerful lifting arms in action—to grip, lift and set down the load in a 6-minute cycle.

Grab: The Swinglift's adjustable arms clamp securely around trailer.



Lift: Hydraulic booms—powered by a 150-hp gasoline or diesel engine—swing load over frame.

The Swinglift needs just 22 feet for unloading. It's selective, too—you can pick off "hot" trailers first. And it loads or unloads from either side.

Get the materials-handling muscle you need—at a price you can afford—with the new Clark Swinglift. Write us for details. Clark Equipment Company, Brown Trailer Division, Michigan City, Indiana 46360.

Put down: Unloaded trailer is placed just 22 feet away from centerline of rail.

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Proper Hopper
GO WEST!

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First in the West with covered hopper cars, designed and fabricated to standard or custom specifications.

Built by the "Men of Steel" whose welds seal ships around the world, Gunderson, Inc.'s covered hopper cars are the "proper hoppers" for today's modern railroads.

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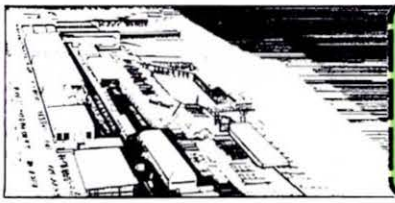


fmc CORPORATION BUILT BY GUNDERSON, INC. PORTLAND, ORE.

WELDING THE WEST TO THE WORLD

Police need help, computers give it

The way things are going, railroad police need all the help they can get—and Rock Island President William J. Dixon is convinced that there is help to be found in railroad communications/computer networks.

More and more, Dixon told the AAR's Police and Security Section, public police agencies are using the computer: "In a quick survey, however, I found little or no use of the computer by railroads for the benefit of their special agents." Where could the computer help? Bill Dixon suggested these possibilities:

—The computer could provide information on movement of high-value cargo or of cargo which for any reason requires protection. Computer generated route and time-of-arrival data would permit special agents to better plan their own operations.

—Data processing equipment could provide statistical analysis of criminal activity, "including, for example, the incidence and pattern of theft or vandalism in terminals or even at particular locations in terminals."

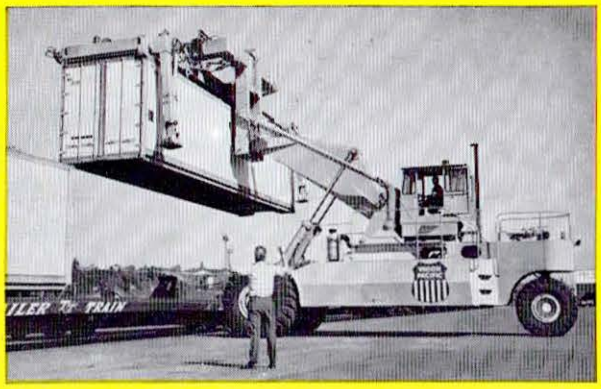
—Computers could aid in the assignment planning of security forces.

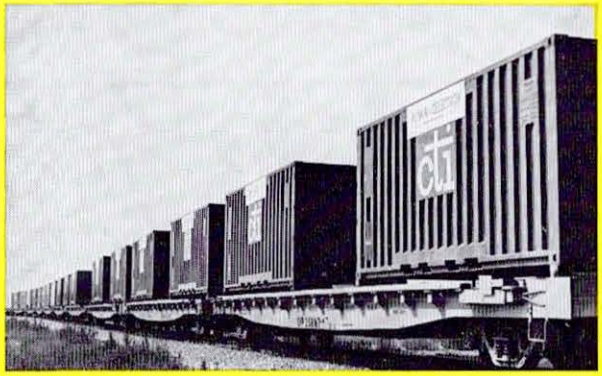
—Computers could aid in pinpointing occurrence, repetition and cause of freight loss and damage.

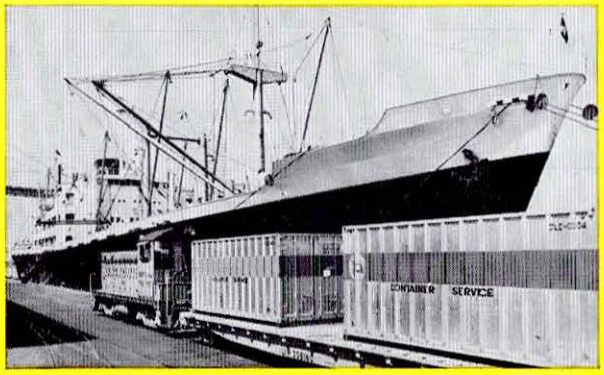
—Data banks could be sources of key information on "persons identified as involved in criminal activity."

—Railroad computers could be linked with computers of law-enforcement agencies to provide information on such matters as stolen-goods identification or previous offenses of persons apprehended.

Beyond the information capability of the computer, Dixon called attention to possible uses of the sensor-based computer, which can trigger alarms or activate data recorders. In one such application, he said, "an electronic device mounted in a truck contains a computer-produced tape in which the specific delivery route of the truck has been programmed. If a hijacker attempts to drive away with a truck so equipped, as soon as he strays very far from the designated route, warning lights flash and a buzzer sounds. Unless the truck is stopped at once, a companion device disables the engine and sets off an alarm. Another application which should have some appeal to railroad security forces is one in which a sensor-based computer monitors the movements of guards or patrols by sensing the locations of badges and checks these against a predetermined schedule in the computer file."







Union Pacific's New Denver INTERMODAL TERMINAL

SPEEDS SHIPMENTS CROSS THE COUNTRY OR ROUND THE WORLD

When you're ready to hop on the piggyback and container bandwagon, you'll find the U.P. ready — and *no* waiting! We're building ahead to serve you better in **Denver.**

Our new Denver Trailer/Container yard can handle shipments arriving from transoceanic points and can provide fast service to the west coast. Truly, the market for Denver products has now been broadened to include the whole globe!

The 42 acre Denver yard can handle 250 trailers and 54 of our 89-foot flatcars. Pride of the yard is the mammoth **Piggypacker,** a mobile loader (shown here) that can lift 45-ton containers right from mid-train. Adjacent to the yard is a new facility for pre-tripping refrigerated trailers.

Denver *is part of U.P.'s expanding service —*

LOS ANGELES — a new $2.8 million classification yard to double switching capacity and speed up the make-up of eastbound trains.

SEATTLE — new trailer/container yard with Piggypacker to speed export/import traffic.

SALT LAKE CITY — new trailer/container yard with Piggypacker to speed intermountain distribution.

The future is bright, indeed, for intermodal traffic and you'll find U.P. is ready when you are, to move into this shipping revolution.

UNION PACIFIC

UNION PACIFIC RAILROAD

"Instead of just hanging around the yard with your friends, why don't you go out and get a job?"

GOT SOME UNEMPLOYED FREIGHT CARS? LET US PUT 'EM TO WORK. TODAY! We know exactly how to do it. First, we buy them from you. Then we recondition or rebuild them. Until they're like new. And we lease them, or similar cars from our inventory, back to you.

You don't have to buy them. Just use them. For as long as you want.

To keep these cars from ever becoming obsolete eyesores again, we can keep them in like-new service with a schedule of regular maintenance if you wish. Right in our own fully equipped shops to cut down on overloading yours. Your leased stock need never slow up on the job again.

Think it over. Cash for cars that aren't working now. Hard working, revenue producing cars in return. And a maintenance program, if you want one, to keep them like new. Without a capital outlay.

It may lead you to thinking about leasing or buying our new cars as well.

You know what stock you have that should never roll again. Call Ralph Bell, V.P. at 312-297-3200 and see how quickly you can have them earning for you—and out of the yards.

United States Railway Equipment Company

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This rig's flexing its hustle.

(Southern Pacific Piggy Packers lift 45-ton trailers on or off a flat car in 90 seconds flat.)

The Piggy Packer's specialty is speed. This is one of several operating in Southern Pacific's intermodal terminals that last year handled over a quarter million trailers and containers. These agile monsters can pick up a fully loaded unit and gently put it on a flat car (or take it off) in just 90 seconds—level all the way. That's why Southern Pacific's piggyback and intermodal container services are growing all the time. That's why your trailer/container shipments should be moving on Southern Pacific.

Southern Pacific

—the transportation company that does things first.

STATEMENT of ownership, management and circulation (Act of August 12, 1970: Section 3685, Title 39, United States Code).

1. Date of filing, Sept. 29, 1971.

2. Title of publication: RAILWAY AGE.

3. Frequency of issue: Semi-monthly.

4. Location of known office of publication: 508 Birch St., Bristol, Conn. 06010

5. Location of the headquarters or general business offices of the publishers: 350 Broadway, New York, N.Y. 10013

6. Names and addresses of publisher, editor, and managing editor; Publisher Robert G. Lewis, 350 Broadway, New York, N.Y. 10013; Editor: Luther S. Miller, 350 Broadway, New York, N.Y. 10013; Managing Editor: None.

7. Owner: Simmons-Boardman Publishing Corporation, 350 Broadway, New York, N.Y. 10013—Stockholders having one percent or more are: Arthur J. McGinnis, 350 Broadway, New York, N.Y. 10013; Bache & Co. Incorporated, 36 Wall Street, New York, N.Y. 10005; Morton & Co., P.O. Box 2400, Church Street Station, New York, N.Y. 10008; Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine Street, New York, N.Y. 10005; J. W. Gould & Co., 120 Broadway, New York, N.Y. 10005; Joseph or Katherine Sanders, 6010 Prestonshire, Dallas, Texas 75225.

8. Known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities: None.

9. Paragraphs 7 and 8 include, in cases where the stockholders or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner. Names and addresses of individuals who are stockholders of a corporation which itself is a stockholder or holder of bonds, mortgages or other securities of the publishing corporation have been included in paragraphs 7 and 8 when the interests of such individuals of the stock or securities of the publishing corporation.

10. Extent and nature of circulation:

A. Total No. copies printed **(Net Press Run)**	20,802	25,175
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1. Sales through dealers and carriers, street vendors and counter sales	—	—
2. Mail subscriptions	14,141	14,977
C. Total paid circulation	14,141	14,977
D. Free distribution by mail, carrier or other means		
1. Samples, complimentary, and other free copies	6,243	9,878
2. Copies distributed to news agents, but not sold	—	—
E. Total distribution **(Sum of C and D)**	20,384	24,855
F. Office use, left-over, unaccounted, spoiled after printing	418	320
G. Total **(Sum of E & F—should equal net press run shown in A)**	20,802	25,175

I certify that the statements made by me above are correct and complete.

(Signed) Robert G. Lewis, Publisher

LETTERS

British nationalization

Stamford, Conn.

To the Editor:

Your "Inside" column of Sept. 13, 1971 [p. 5] prompts me, as one originally trained and employed by British Railways pre- and post-nationalization, to offer the following comments:

1. Nationalization of railways in Great Britain was done by a socialist government, as a matter of dogma, not to "save" them.

2. The system has failed from a service and financial point of view.

3. In spite of governmental "props" in an attempt to show a "profit," the actual situation today is a deficit, as reported in a London "Daily Telegraph" article of Sept. 13, 1971.

4. Mr. Richard Marsh, the new chairman of British Rail, is a former socialist politician; he can be relied upon to favor nationalization for its own sake, as a matter of policy.

It is to be sincerely hoped that the experiment of nationalization of railroads in the United States will not be tried. It is *not* a panacea; on the contrary, it can be expected to produce a costly bureaucracy (at the expense of the taxpayer) and a deterioration in service.

J. P. Cunliffe—Frederic R. Harris, Inc.

Covering BN

St. Paul

To the Editor:

The September 27 cover is excellent as is the article on Burlington Northern (BN: Marketing, the Profit Center Way, p. 24). I am most appreciative.

Louis W. Menk
Chairman
Burlington Northern

Pueblo

Washington

To the Editor:

Many thanks for the Railway Age feature on our Pueblo Test Center [RA, Sept. 13, p. 38]. Pueblo does indeed have a great potential for research and development for the entire railroad industry. We appreciate your bringing this important point to the attention of your readership.

John A. Volpe—Secretary of Transportation

Noise abatement

Chicago, Ill.

To the Editor:

In reporting on sound-level tests at A. E. Perlman yard, Penn Central (RA June 28, page 52), it was stated that "estimated maximum noise level at 10,000 feet from the retarder was 45 decibels. (The latter figure is only 7 decibels above a typical residential noise ordinance limit.)"

This would make the ordinance limit 38 decibels, which I feel is too low with existing conditions to be practical. Tests made in Switzerland produced the following noise levels, in decibels:

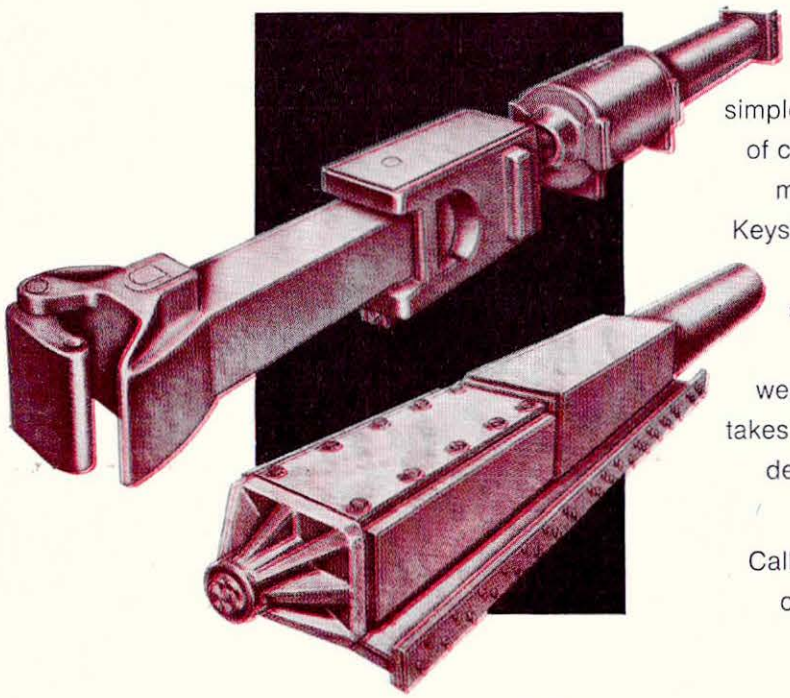
Zone	Basic Level		Frequent Peaks	
	Night	Day	Night	Day
Hospital	35	45	45	50
Residential	45	55	55	65
Commercial	50	60	60	70
Industrial	55	65	60	75
Main Road	65	70	70	80

Name withheld

KEYSTONE RELIABILITY...

most Railroad People
take it for granted...

Not us!



Keystone SHOCK CONTROL'S service record is superior. Our simple design reduces the possibility of component failure to an absolute minimum. But we still torture-test Keystone SHOCK CONTROL units to leave no doubt that the rugged, sturdier units, with larger shafts, heavy rod heads, and massive wear-plated yokes have got what it takes to provide the long, trouble-free dependable service railroads want and need year after year.

Call Jim Smith at 717—761-3690 for complete information and prices.

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Camp Hill, Pennsylvania 17011

Circle 29 on coupon page 47

TRAFFIC POLL (continued from page 50)

that was originally excellent deteriorated to the equivalent of carload handling; e.g., on movements that had been second-morning delivery it began to take five days. (b) On Plans 2½ and 3, the carriers categorically turned down all claims unless there was visible damage to the trailers. This policy was in effect when we started using Plans 2½ and 3, but was not burdensome during the first few years. Later, damage became a very significant factor."—Ed A. Parker, assistant traffic manager, Ashland Oil & Refining Co., Ashland, Ky.

"Having been rather deeply involved in the original so-called Plan III case, we have been more than normally disappointed with the railroads' failure to exploit the advantages afforded by TOFC. Originally, the rate differential was attractive and, very importantly, the service was good. Today, the differential has practically disappeared and the TOFC service has deteriorated. I would like to quote here a statement by Carmine Dragotta, our director of traffic, which I believe sums up the situation:

" 'For example, a shipment leaving St. Louis on Monday via motor carrier is here at Hillside on Wednesday. The same shipment via rail piggyback would not be available until Thursday. Also, we feel that the motor carrier has much more flexibility than the rail movements. It would follow then that the rail must have a significant differential in the rate in order for shippers to choose this mode over motor carriers. If the differential in rates is not there, then we believe that the motor carriers will always get the tonnage. As you know, the rail carriers should be the low-cost volume carrier. Also, the origin of rail piggyback was based primarily on extremely low cost to the shipper.' "—David M. Daly, vice president, Bristol-Myers, Hillside, N.J.

"Rates are too high. In many instances, the motor carrier industry has put in rates that are as low as or lower than piggyback. With the better motor carrier service, they get the traffic. Service is not what it should be. In many instances, we find the railroads switching the flat cars at the terminal rather than rubbering the trailers to connecting carriers. This causes a two- or three-day delay in transferring of the trailers."—R. R. Oryall, traffic manager, Diana Manufacturing Co., Green Bay, Wis.

"Service is adequate, but rates, particularly single trailer rates, are not attractive. A tremendous amount of traffic moves in private and irregular route service. This is the rate level at which TOFC must compete."—J. J. D'Arcy, general traffic manager, Congoleum Industries, Inc., Kearny, N.J.

"Generally, TOFC rates are not as attractive as they once were. Tariffs are now more restrictive—e.g., gradual elimination of overflow provisions, curtailment of stopping-in-transit arrangements, additional shipper loading and unloading requirements, etc. Service flexibility is being diminished rather than enhanced.

"At least insofar as Plan 2 is concerned, the coverage should be broadened to include many additional origins and destinations, and at more favorable rates to shippers, with a minimum of restrictive tariff ramifications. Furthermore, in the precise area of Plan 2 TOFC rate-making procedures, the rails ought to lessen the importance attached to competitive truck rate structures and, instead, place greater emphasis on the need to meet particular shipper situations. In other words, the carriers should 'go off on their own' to a much larger extent than at present."—George A. Erath, general traffic manager, GAF Corp., South Bound Brook, N.J.

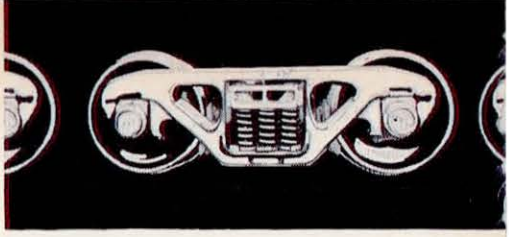
"I think the railroads have taken each ex parte increase and applied it across the board. Motor carrier increases have been more selective, especially on full truck loads. We now find a situation where over-the-road rates are below rail piggyback rates. I also feel there have been severe service deficiencies on the part of the rail carriers. Rail does not have the consistent reliability of on-time service that is maintained by motor carriers. Private truck operations are growing at a very substantial rate."—J. Robert Morton, vice president corporate transportation, Combustion Engineering Inc., Windsor, Conn.

"TOFC traffic has declined because of its complex rate structure, which the average shipper does not understand; because of the number of points that aren't served; because of the unwillingness of carriers to furnish equipment for traffic that is not a long haul for them; because of a less competitive attitude in relation to truck—for instance, if no rates exist to a point, instead of working with a drayage company the railroads content themselves with a 'no service' answer."—Robert L. Glenn, distribution cost supervisor, Inland Container Corp., Indianapolis.

"Piggyback's rates have far exceeded its competitors'. Piggyback service is no longer competitive with its competitors'."—Howard D. Pollen, traffic manager, P. Ballantine & Sons, Newark, N.J.

"Piggyback has too many optional

Circle 30 on coupon page 47 ►



Servo is the world's leading producer of electronic hot box detector systems.

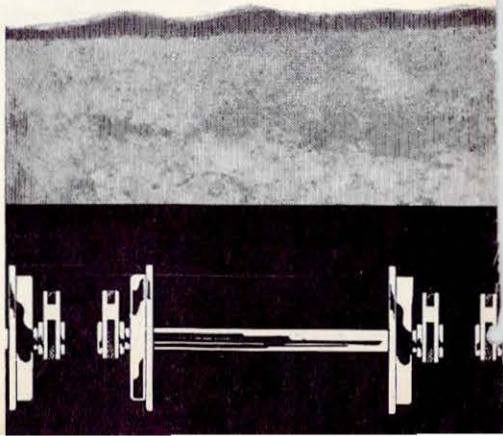
We're not experts in every phase of railroad safety — but as the industry's pioneer designer and producer of electronic hot box detection systems, we can claim a high level of successful experience in working on the problems of bearing failures, axle burn-offs and derailments associated with undetected hot boxes.

Since 1957, more than 1,600 SERVOSAFE Hot Box Detective Systems have been put into service by 54 of the world's major railroads, and have compiled an unequaled record of safety improvement, more efficient preventive maintenance procedures and cost reduction.

Hot box detectors available from Servo offer the widest flexibility in choice of system configuration, features and functional options, including: rail-mounted or ballast-mounted scanner; a complete selection of ancillary and test equipment; solid-state electronic signal processing. Several modes of data read-out are also available — automatic digital read-out at trackside or remote location; pen-paper recorder chart for visual interpretation; FM carrier data transmission over unlimited distances.

With our broad range of products and world-traveling network of field engineers, we can readily "customize" the design, manufacture, installation and operation of a SERVOSAFE system to best meet the particular requirements of your railway.

You are invited to contact us for complete descriptive literature, or to arrange a field engineering site survey and application review — without obligation, of course.



Hot box hide-n-seek. A dangerous game.

Hot box hide-n-seek is an old game — as old as railroading itself. And the villain in the game is the overheated journal that you can't find until it's too late — that's when it worsens into a really dangerous axle burn-off and costly derailment!

The safe way to beat the hot box at its own game is with a SERVOLARM® Model 8000 Trackside Hot Box Visual Display System. Designed to operate with any SERVOSAFE® Hot Box Detective™ System, the SERVOLARM visually signals the presence of a hot journal box and also pinpoints its location. SERVOLARM helps to eliminate train stops and crew delays. It simplifies and speeds up the entire hot box location procedure by directly notifying the crew via a trackside bi-directional display board — a digital readout shows the axle count location of the hot box. If there are no hot boxes, the display board reads "000."

SERVOLARM can be quickly and easily installed with a minimum of construction equipment and labor, while eliminating long distance wiring and extensive communication equipment costs.

If you're looking for an easier and safer way to win the game of hot box hide-n-seek most of the time, take a look at SERVOLARM.

Train crew on the Cincinnati-Atlanta line of the Louisville & Nashville Railroad gets the "OK" signal from a SERVOLARM Trackside Hot Box Visual Display.

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In the full 20 years of our history the C&O/B&O Railroads orders have averaged over 17 International caboose cars per year. Typical of our 103 American railroad clients, their repeat orders are a clear indication of satisfaction. We appreciate their confidence. And we pledge renewed efforts to warrant it more than ever before.

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Circle 31 on coupon page 47

plans; it has expanded too rapidly and economic conditions have not maintained growth anticipated. . . . We prefer carload shipments to TOFC and believe the carriers have finally realized they were diverting carload traffic to more costly TOFC, thus decreasing revenues."—Erwin S. Rosenzweig, traffic manager, Longview Fibre Co., Longview, Wash.

"Piggyback traffic has declined because of (a) reduction in ramp locations, (b) inconvenient ramp locations, (c) claims settlements, (d) non-competitive rates due to ex parte increases."—R. J. Breitinger, director of traffic and transportation, Westinghouse Electric, Pittsburgh.

"In 1960 when we commenced to use piggyback, our shipments arrived in excellent shape; however, today, though loaded and packaged the same, our shipments arrive at destination with considerably more damage. Railroads must improve handling methods and service—and parallel these two items with lower rates. Rail carriers must remove from their minds the thought of providing slower service at truck rates."—Miles F. Tamisiea, general traffic manager, Theodore Hamm Brewing Co., St. Paul, Minn.

"The rail carriers have taken ex parte increases without regard to competitive truck rates. In instances where piggyback rates were increased to a level higher than truck, rail carriers have not readjusted downward quickly enough to maintain business. In volume movements, once a shipper makes arrangements to move by truck, it becomes impractical to again change to piggyback unless the economic advantage is substantial."—Robert E. Alexander, vice president, transportation-distribution, Pillsbury Co., Minneapolis.

"The current economic situation is partially the reason for the decline in piggyback traffic—but in addition, because of the application of the various ex parte rate increases, in many cases the rate levels are higher than motor carrier rates and consequently the traffic has been diverted back to that mode. There also appears to have been some deterioration of service on certain railroads."—R. H. Heilman, corporate director of transportation and distribution, A.O. Smith Corp., Milwaukee.

"We presently move a considerable volume via railroad piggyback principally under Plan 3 or Modified Plan 3. Our real concern at the present time is the accelerating costs of origin and destination cartage. Our service requirements are being fairly well met. Some relief in the area of cartage costs will retain our piggyback traffic for the railroads and could even increase it."—R. J. LaVigne, traffic manager, Hiram Walker & Sons, Ltd., Windsor, Ont. ■

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Our Quality Control group constantly "psychoanalyzes" Frisco trains . . . to better understand what makes them click . . . what improves or impedes movement. Then we adjust, change and experiment. Everything we try is done to give you better service. We aim to be known as the dependable one. Call your local Frisco Sales Office. St. Louis-San Francisco Railway Co., General Offices, 906 Olive St., St. Louis, Mo. 63101.

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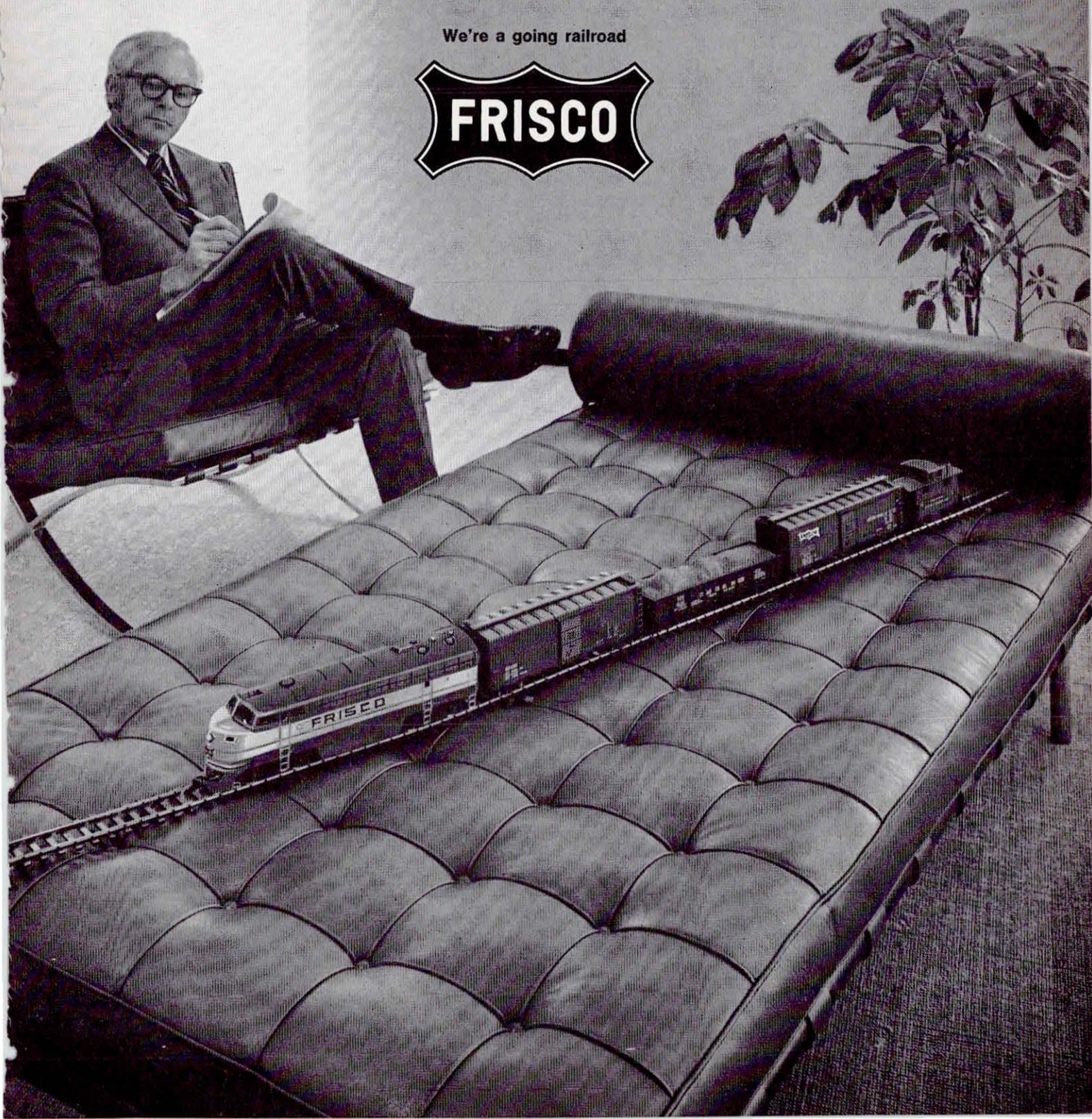

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What's behind it? Two forces. Powerful marketing by America's railroads to sell piggybacking. And TTX flat cars from Trailer Train to meet the demand.

Besides the economic benefits of safer, cheaper, faster, more dependable transportation, piggybacking has an added attraction . . . easing highway congestion.

Trailer Train was formed just 15 years ago by the nation's railroads to design and control a nationwide pool of piggyback flat cars. Now the leader in the field of piggyback and other flat car equipment, Trailer Train provides this equipment to its 33 owner railroads.

The fast-growing TTX fleet is nearing 60,000 flat cars. Cars standardized in design, yet flexible for multiple uses. Cars built to Trailer Train's rigid specifications by leading car builders. Cars kept ahead of needs through continuing research and development. Cars with a utilization factor three times that of other freight cars.

More power to the railroads through piggybacking! That's what TTX is all about.

For piggyback information, call your local *TRAILER TRAIN* railroad.

Trailer Train Company, 300 S. Wacker Drive, Chicago, Ill. 60606

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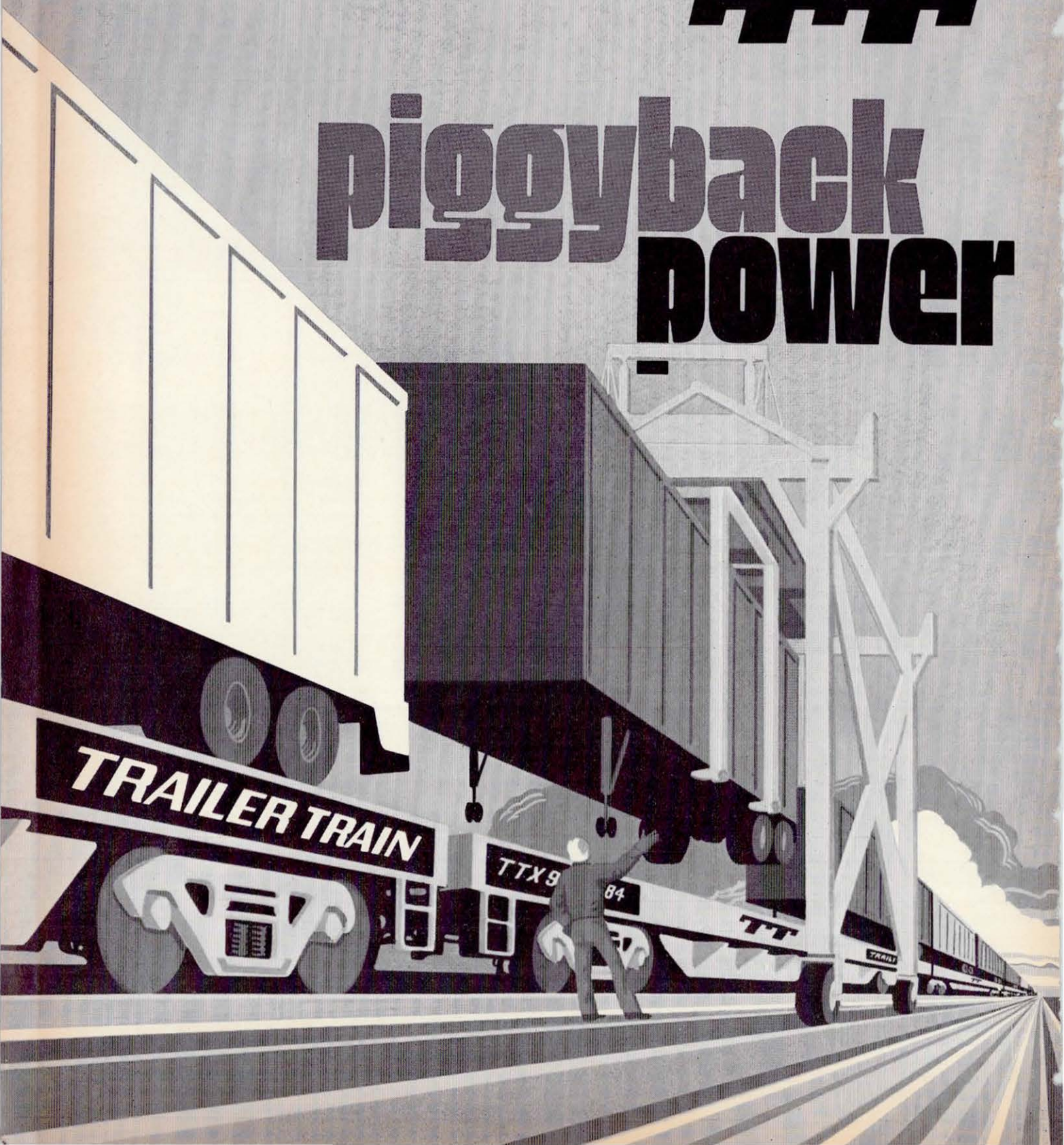


Market Outlook

CARLOADINGS

Loadings of revenue freight in the week ended Oct. 9 totaled 444,882 cars, according to the Association of American Railroads. This was a decrease of 69,253 cars, or 13.5%, compared with the previous week, and a decrease of 108,065 cars, or 19.5%, compared with the corresponding week last year. The decreases were attributed largely to strikes in the coal fields. Ton-miles generated by carloadings in the week ended Oct. 9 are estimated at 13.0 billion, a decrease of 16.5% below the corresponding week of 1970.

REVENUE FREIGHT CARLOADINGS

Commodity	Oct. 9 week	Oct. 2 week
Grain	26,330	23,466
Farm products	19,489	13,950
Metallic ores	34,845	37,022
Coal	31,619	91,952
Crushed stone, gravel & sand	30,379	30,831
Nonmetallic minerals	9,436	10,341
Grain mill products	18,714	19,777
Food & kindred products	23,965	25,321
Primary forest products	24,229	24,507
Lumber & wood products (except furniture)	15,013	16,475
Pulp, paper & allied products	23,124	24,406
Chemicals & allied products	26,265	26,009
Petroleum products	9,221	9,317
Stone, clay & glass products	19,998	20,238
Coke	5,521	5,756
Metals & products	16,727	19,995
Motor vehicles & equipment	24,588	25,044
Waste & scrap materials	13,167	13,331
Forwarder & shipper assn. traffic	7,128	7,096
All other carloads	64,521	68,637
LCL traffic	603	653
Total cars loaded	444,882	514,124

CUMULATIVE TOTAL, 41 weeks	1971	1970	1969
	20,303,130	21,556,727	22,181,379
Estimated revenue ton-miles (billions) 41 weeks	587.5	604.2	602.0

PIGGYBACK LOADINGS

U.S. piggyback loadings for the week ended Oct. 2 totaled 26,328 cars (0.1% below the corresponding week last year) and 43,815 trailers or containers (down 0.2% from 1970). Cumulative volume for the first 40 weeks of 1971 is 909,755 cars (off 6.5% from last year) and 1,487,008 trailers or containers (down 5.3% from 1970). In addition to freight, 2,862 cars carrying 4,538 trailers or containers of mail and express traffic were handled piggyback. Cumulative figures for the first 40 weeks of 1971 are 120,872 cars (down 13.4% from the 1970 total), and 182,665 trailers or containers (down 14.4% from 1970).

IN CANADA

9-days ending	Revenue Cars Loaded	Cumulative Totals
Sept. 30, 1971	116,780	2,901,976
Sept. 30, 1970	113,620	2,873,981

FREIGHT-TRAIN CARS

● *Frisco.*—Ordered 100 50½-ft box cars from ACF Industries at an approximate cost of $1.5 million. The cars will have 70-ton roller-bearing trucks, 10-ft sliding doors and 55,000-lb flooring. Delivery is scheduled for the first quarter of 1972.

● *Missouri Pacific.*—Ordered 2,500 new freight cars and 30 cabooses. On MoPac's list are 1,150 box cars and 300 100-ton covered hopper cars from Pullman-Standard; 550 box cars from Amcar; 200 100-ton gondolas and 200 100-ton open-top hopper cars from Greenville Steel Car; 100 box cars from Pacific Car & Foundry; and 30 cabooses from International Car. All 1,800 box cars will be equipped with cushioning devices.

● *Trailer Train.*—Ordered 37 89-ft, 4-in. standard-level cars. Fifteen will be built by the Amcar Division of ACF; 18 by Bethlehem Steel; and 4 by Pullman-Standard. This brings to 606 the number of cars ordered by TTX since Jan. 1. As of Oct. 7, TTX had 59,185 cars in service or on order.

LOCOMOTIVES

● *General Railway Signal.*—Received an order from U.S. Steel Corp. to equip 10 locomotives at Fairfield, Ala., for radio control. The locomotives will be operated by personnel on the ground using "packset" transmitters. The control system is expected to be operative by the end of 1971.

● *Missouri Pacific.*—Ordered 45 2,000-hp diesel-electric units from EMD; and five 3,000-hp units from GE.

CAPITAL EXPENDITURES

● *Missouri Pacific.*—Initial motive-power and freight-car acquisition program for 1972 involves expenditure of $64 million. MoPac's 1971 equipment program added up to an expenditure of $55 million.

NEW FACILITIES

● *General Railway Signal.*—Received an order from the St. Louis-San Francisco to furnish equipment for modernizing and expanding the Tennessee Yard at Memphis. The Frisco will add a new group of ten classification tracks to the yard; existing equipment will be modernized to handle extra-heavyweight cars more efficiently. The new facilities are expected to be in service by summer 1972.

SPECIAL

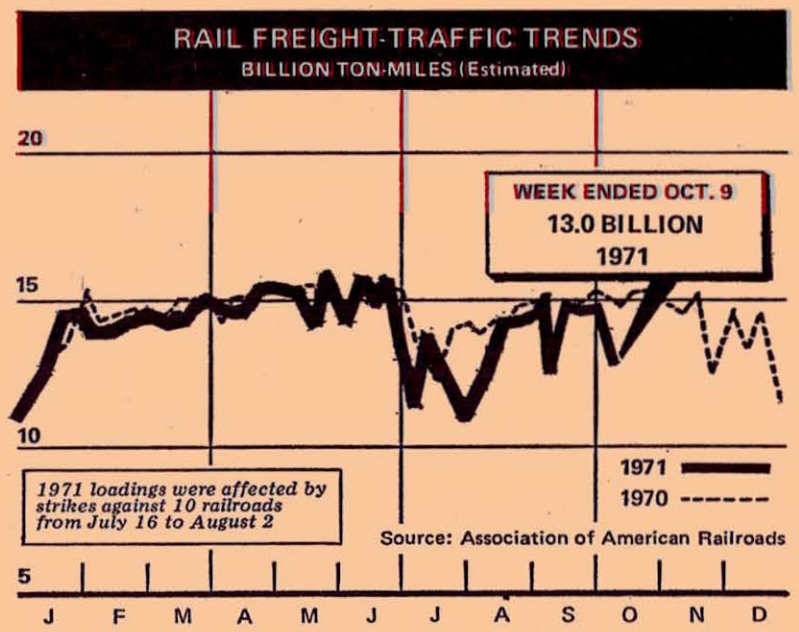
● *Whitehead & Kales Co.*—Recently completed an order for 40 new railroad auto racks for the Seaboard Coast Line. The racks, equipped with galvanized steel side panels to protect automobiles during shipment, are called Panl-Kar. They are designed to carry four large-size sedans, five medium sedans, or six compacts on each of three decks. Almost 90 feet long, the racks are the first of a new type designed by computer analysis program.

EXPENDITURES FOR NEW PLANT AND EQUIPMENT BY TRANSPORT AND RELATED INDUSTRIES(1)

(billions of dollars)

	1968	1969	1970	1971(e)
NON-MANUFACTURING INDUSTRIES:				
Air transport	2.56	2.51	3.03	2.36
Railroad transport	1.45	1.86	1.78	1.82(2)
Other transport	1.59	1.68	1.23	1.39
Total transport	5.60	6.05	6.04	5.57
Total non-manufacturing	39.40	43.88	47.76	51.27
Per cent transport	14.2	13.8	12.6	10.9
MANUFACTURING INDUSTRIES:				
Durable goods; transport equipment				
Aircraft (3)	.86	.83	.54	.51
Motor vehicles	1.36	1.65	1.59	1.58
Other transport equipment	.26	.28	.30	.24
Total transport equipment	2.48	2.76	2.43	2.33
Total durable goods	14.12	15.96	15.80	15.40
Per cent transport	17.6	17.3	15.4	15.1
Non-durable goods				
Petroleum	5.25	5.63	5.62	5.95
Rubber	.98	1.09	.94	.78
TOTAL TRANSPORT AND RELATED INDUSTRIES (4)	**11.76**	**12.78**	**12.33**	**11.82**
TOTAL ALL INDUSTRIES	**67.76**	**75.56**	**79.71**	**83.13**
PER CENT TRANSPORT AND RELATED INDUSTRIES	**17.4**	**16.9**	**15.5**	**14.2**

(1) Excludes agricultural business; real estate operators; medical, legal, educational and cultural services; and non-profit membership organizations—(2) This compares with AAR's estimates of capital expenditures by Class I railroads of: $1.187 billion in 1968; $1.509 billion in 1969, and $1.340 billion in 1970; the 1971 expenditure probably will be proportionate—(3) Includes guided missiles and space vehicles—(4) Includes totals of total transport lines under "non-manufacturing industries" and "manufacturing industries—durable goods," plus 56% of petroleum and 75% of rubber expenditures shown—(e) estimated—Source: "Transportation Facts & Trends," Transportation Association of America.



U.S. GOVERNMENT TRANSPORTATION RESEARCH, PLANNING, AND R&D OUTLAYS*

(millions of dollars)

	FISCAL YEARS 1969	1970	1971(e)	1972(e)
GENERAL				
Dept. of Transportation (Commerce)	8.0	8.1	19.6	31.0
Dept. of Agriculture	10.0	9.0	10.2	10.1
Total	18.0	17.1	29.8	41.1
AIR				
FAA-Aviation	47.2	53.9	81.1	85.7
Supersonic transport †	93.7	160.5	235.5	235.0
NASA-Aircraft technical	171.2	187.3	196.0	207.1
Total	312.1	401.7	510.6	527.8
HIGHWAY				
FHA-Highways	14.0	16.0	18.8	21.3
Safety	10.2	14.0	19.0	20.5
Research/Planning grants	70.8	78.3	67.7	80.0
Total	95.0	108.3	105.5	121.8
RAIL				
FRA—High-speed surface program	12.7	16.0	24.7	29.0
General research	0.2	0.4	8.5	13.7
Total	12.9	16.4	33.2	42.7
URBAN MASS TRANSPORT				
HUD—DOT	25.0	27.4	58.3	103.0
WATER				
Maritime Administration	9.1	12.7	24.8	26.2
Coast Guard	3.9	10.1	12.9	17.5
Total	13.0	22.8	37.7	43.7
TOTAL TRANSPORTATION R&D	**476.0**	**593.7**	**775.1**	**880.1**
TOTAL U.S. GOVT. RESEARCH AND R&D	**16,208**	**15,632**	**15,960**	**16,258**
TRANSPORT PER CENT OF TOTAL	**2.9**	**3.8**	**4.9**	**5.4**

* In terms of financial obligations as reported in "The Budget of the U.S. Government"; (e) Estimated; † program discontinued by Congress in early 1971; Source: "Transportation Facts & Trends," Transportation Association of America.

Viewpoint

Hartke: The key word is service

Senator Vance Hartke, who is about to open hearings on the Surface Transportation Act of 1971, has done his railroad homework well. He has an excellent grasp of the industry's problems. While he has won great publicity as a defender and champion of passenger trains, he is well aware that it is the freight train that can move—or stall—the nation's commerce. While he is critical of the present levels of railroad service, he does not believe that a public scolding is the best recourse. A very shrewd, a very down-to-earth man is Vance Hartke. He wants facts, not rhetoric. He wants performance, not promises.

All of this comes through clearly in the interview with Indiana's senior Senator which is published in these pages. What Senator Hartke has to say is worth careful and cautionary study; his Subcommittee on Surface Transportation will have a strong hand in framing the legislation that will to a large extent determine the future of railroads.

Senator Hartke *is* interested in nationalization, but he emphasizes that a study of nationalization "does not imply that we have any indication of going in that direction." In full context, his words ring true when he declares, "I have never favored nationalization."

What Senator Hartke does favor is a transportation system that serves the people better than they are now served. "The primary responsibility of Congress is to make sure there is service to the public," he emphasizes. He hopes to come up with an approach that will insure this service "and at the same time help the private carriers to make a profit."

Senator Hartke is not a man afraid of words—"nationalization," "subsidy," "trust fund." While he does not like what any of them implies, he does not, on the other hand, rule any of them out.

He seems to think that some kind of subsidy may turn out to be essential. But he does not intend that the taxpayers will give something for nothing. If freight-car acquisitions are subsidized, control of the fleet should be in government hands; if right-of-way is paid for by the taxpayers, then it should become the property of not one carrier, but of all.

A MAN TO TALK WITH

The word that keeps recurring in any conversation with Hartke is service. To him, service and image are synonymous. Railroads "are going to have to improve their image by improving their service and they can improve their income by improving their image."

Railroads have a good story to tell before Hartke's subcommittee; but the story also has some gaps. If railroads tell the positive side well, and at the same time don't try to bridge the gaps with rhetoric, they stand to come out of the hearings very well. Hartke is a man they can talk with; he is not a man they can talk to. Knowing the difference can be all important.

People in the News

ASSOCIATION OF AMERICAN RAILROADS.—William M. Moloney, vice president and general counsel, Washington, D. C., has been named vice president—law. In a reorganization of the Law Department, Mr. Moloney is assuming expanded executive duties and responsibilities. **Harry J. Breithaupt, Jr.,** general solicitor, named general counsel and will serve as administrative head of the Law Department. **Carl V. Lyon,** who recently served as Acting Federal Railroad Administrator, **Department of Transportation,** succeeds Mr. Breithaupt as general solicitor, AAR.

BESSEMER & LAKE ERIE.—R. E. Kuban, manager engineering design, appointed director engineering services, Greenville, Pa.

BOSTON & MAINE.—Francis J. Edzwald, director—labor relations and personnel, **Pittsburgh & Lake Erie,** Pittsburgh, appointed chief labor relations and personnel officer, B&M, Boston.

CHICAGO & EASTERN ILLINOIS.—N. L. Coppotelli named assistant freight sales manager, New York.

FLORIDA EAST COAST.—G. A. Tonsager appointed general manager sales and service, St. Augustine, Fla. **L. Curtis Westbrook,** manager rates and divisions, retired Oct. 1, after more than 46 years of service. **R. W. Herndon** and **L. P. Schmitt** named managers rates. **R. J. Jones** and **H. W. Smith** appointed district sales representatives, Hialeah and West Palm Beach, Fla., respectively.

FRISCO.—David E. Egertson, traffic manager, St. Louis, named director of traffic deveopment.

LOUISVILLE & NASHVILLE.—Joe B. Conn appointed area manager-industrial and real estate development, Lafayette, Ind. Mr. Conn was vice president-industrial development of the former **Monon.**

MAINE CENTRAL.—Frank E. Curran appointed to the newly created position of market manager—TOFC—COFC, Portland. **Donald P. Looby** named market manager, fuel, forest products and chemicals. **John J. McGinnis** appointed regional manager—sales and service.

MILWAUKEE.—Dr. Myron J. Tremaine appointed chief surgeon for the territory east of Mobridge, S.D., at Chicago.

MISSOURI-KANSAS-TEXAS — Jerry M. Sheridan named assistant vice president-administrative, Dallas, to succeed **Roy K. McDonald,** who retired Oct. 1 after more than 40 years' service.

MISSOURI PACIFIC-TEXAS & PACIFIC.—Raymond A. Martin appointed manager-containerization, St. Louis. **J. Paul Donovan** named manager-international sales, St. Louis.

Lester G. Willmann named assistant to director-international, government and container sales, St. Louis.

R. F. Krehmeyer, traffic representative, appointed service manager—TOFC, St. Louis.

PENN CENTRAL.—Has closed its Chicago public relations office and the work of this office has been transferred to the Indianapolis office, where **F. C. Rhodes** is manager—public relations.

Robert A. Rutledge, division superintendent, Cleveland, named superintendent—operations, Central Region, Pittsburgh. **Frank H. Jones,** assistant superintendent—Pittsburgh, promoted to division superintendent, Pittsburgh Division.

PITTSBURGH & LAKE ERIE.—Paul N. Mansfield appointed director—labor relations and personnel, Pittsburgh, succeeding **Francis J. Edzwald,** named chief labor relations and personnel officer, **Boston & Maine.** Mr. Mansfield was formerly manager—labor relations, **Penn Central,** Philadelphia.

TOLEDO, PEORIA & WESTERN.—J. J. Donnelly, sales manager, New York, appointed to the newly created position of manager marketing-Eastern Region. Mr. Donnelly will represent the TP&W on all **General Freight Traffic Committees-Eastern Railroads** and will continue direct sales contacts with industrial concerns in the Greater New York area.

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SUPPLY TRADE

Peter C. Bayer has joined **Berwick Forge & Fabricating Division,** Whittaker Corp., Berwick, Pa., as sales manager—new cars.

Kendall L. Anderson has been appointed director-transportation products. **American Steel Foundries,** Chicago, **E. E. Kraegel,** district sales manager, Baltimore, has been transferred to Philadelphia.

John B. Schafer has been appointed industrial markets manager, **Dresser Manufacturing Division, Dresser Industries,** Bradford, Pa. Mr. Schafer was previously manager of marketing services, Dresser Instrument and Valve Division, Stratford, Conn.

Kenneth Jorgensen, general manager, **Clyde Corp.,** a **Chicago Pneumatic Tool Co.,** has been named president, Troy, Mich.

K. B. Elgohary has been named manager, mechanical engineer, **Mobility Systems Co.,** Houston, Texas. Mobility Systems, a joint venture of **Brown & Root, Inc.,** and **Gerald D. Hines Interests,** is a planning and engineering firm that serves the mass transit industry through planning, designing and placing into operation mass transit systems. Mr. Elgohary was formerly senior engineer, vehicle systems department, Transportation Division, **Westinghouse Electric Corp.**

L. B. Foster Co., Pittsburgh, has acquired the trackwork manufacturing operations of the **Delaware Tisco Corp.** and will operate it as the **Weir Kilby Division** of Foster. **Wayne Henderson,** formerly general manager, Taylor-Wharton trackwork operations, continues in that position with the newly formed Weir Kilby Division.

Philip W. Scott named chairman of the board, **Budd Co.,** Philadelphia, and **Gilbert F. Richards** appointed president and chief executive officer and a director.

INDUSTRIAL TRAFFIC

James W. Roderick, assistant traffic manager, **Okonite Co.,** Ramsey, N.J., has been appointed traffic manager, succeeding **Charles J. Blaker,** who retired after 46 years of service.

Thomas C. Stewart has been appointed director of physical distribution and traffic for **Johns-Manville Corp.,** New York. He was formerly manager of corporate traffic, **General Electric Co.**

Jerry D. Perkins has been named director of transportation and purchases, **Great Northern Paper Co.,** Stamford, Conn. **S. J. Siegel** has been appointed assistant director of transportation, and **Donald Braff** has been promoted to manager, rates and research.

Charles H. Sturgeon has been appointed to the newly created post of general traffic manager, **Parker Hannifin Corp.,** Cleveland. He was formerly manager of distribution, **Barr, Inc.,** Sandusky, Ohio.

Herbert N. Baker has been appointed manager of distribution systems, **International Paper Co.,** New York.

Atlantic Richfield Co. has closed its Chicago traffic department. The Mid-continent and Eastern Areas are now combined, with headquarters in Philadelphia. **W. Lenning Travis,** manager Traffic Section Distribution Eastern Area Marketing, has retired after 37 years with the company. **J. J. Burke** has been appointed traffic manager for the combined territory which will be known as the Eastern Area.

Joseph R. Erwin, general traffic manager, **Jos. Schlitz Brewing Co.,** Milwaukee, Wis., has been appointed director of traffic.

OBITUARY

John W. Foster, 57, special counsel, **Illinois Central,** died Oct. 4 in Illinois Central Hospital, Chicago.

Stanley B. Hoveland, 61, regional director, Transportation and Communications Service, **General Services Administration,** Washington, D.C., died Sept. 24.

George J. Young, 59, manager of materials, **Reading Co.,** Philadelphia, died Oct. 5 at his home in Oreland, Pa.

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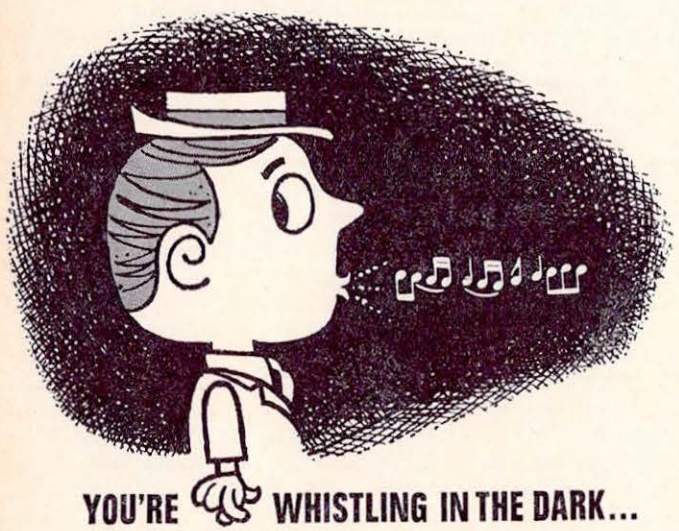

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WHY HARTKE WANTS A STUDY OF NATIONALIZATION

(Continued from page 37)

A. Hopeful, yes. Nationalization to me needs to be studied primarily for the reason that I don't think it's sufficient to answer the nationalization argument simply by saying that you are opposed to it because it implies national ownership of what otherwise is a privately-operated system. We must have a study of it in depth as to what it actually means. That is why I want the study of nationalization. But a study of nationalization does not imply that we have any indication of going in that direction. Quite the contrary.

Q. Getting back to legislation—is the climate in Washington today a good climate for legislation favorable to the railroads? Have they been able to shed their "robber baron" image?

A. I would feel that probably most railroads today are not looked upon as "robber barons" any more. Generally speaking, they are looked upon as corporations which have very little concern for the movement of people; and secondarily, in some cases they appear to be rather unconcerned about service in the freight field—they don't show that type of dedication and concern that most people who need their services expect.

The net result, I think, is that they will have to improve their services. They in turn will tell me that they do not have the money to do that job, which may be true. But it's a two-way street. They are going to have to improve their image by improving their service and they can improve their income by improving their image.

Q. To accomplish precisely this, Senator, the railroads have drawn up the ASTRO program. What do you think of ASTRO?

A. Here again is an opportunity for us to examine in detail what the combined railroads think is necessary. The ASTRO report at least does have in it some items which heretofore even the railroads could not agree upon. There is a common denominator in the program—and that's money.

I think it is wrong to make an assumption in either of two directions: that is, simply because there is a request for money, it should not be viewed as being bad. On the other hand, I do think it equally wrong to take the simple view that if the money were granted to them, that necessarily would prove beneficial. If the funds are necessary for initiative and an expansion of the type which is going to produce better service and more viability, then certainly I think the Congress would look upon it with a great deal of favor. This is a matter where they are going to have to prove their case. . . . In substance, with the ASTRO report, with the bill introduced by myself in the Senate and now introduced in the House—with all of this, what we are attempting is to try to find an area of improvement of service, an improvement of the railroads' financial situation, without getting bogged down in a fight between modes and rivalry between the railroads themselves.

Q. How do you view transportation subsidies in general?

A. You have to start from this basic premise: We must have rail service in the public interest at the least possible expense to the taxpayer. I say at the least possible expense to the taxpayer. Historically, subsidies in and of themselves have not necessarily been considered to be bad. They may in retrospect appear to have been overly generous, or on the other hand there are some people who tell me that we would not have opened up the West if we hadn't given the land to the railroads. Now people say, let's take it back, it has been a bonanza to them. That's looking at it with hindsight.

We will do the best we can to try to find out what type of approach will prevent the Penn Central type of collapse. We in the Congress made a determination that we had to continue the Penn Central system. The problem was, how do you keep it operating and at the same time make sure that it is not going to be such a financial drain on the nation that it becomes a burden; and secondarily, how do you insure that funds coming from the Federal government do not become merely handouts, rather than developmental funds?

I think the Penn Central is a good example of what should not happen. Its condition was allowed to degenerate and deteriorate to such a place that ultimately the cost to the taxpayer may be bigger than it would have been if we had dealt with it earlier. But we were misled. The nation was misled.

We did finally come in with some money. But the amount of money which we put into it was certainly not the amount that would have gone into it under the Administration's program.

In substance, all I'm saying to you is that subsidy in and of itself is not a bad thing. But subsidy is not a *sine qua non* for all railroads.

Frequently the railroads say to me, If you give us some money we can show a profit. I don't think that's true. On the other hand I think it's equally bad to say that some of these people can really pull themselves up by their own bootstraps, without any assistance.

Q. What is the status of the Administration proposals on transportation, particularly that proposal dealing with a degree of deregulation?

A. Deregulation is a nice term in the abstract, except I do not believe that the transportation modes want complete deregulation. What they really want is deregulation for themselves and regulation for their competitors.

There is always the possibility that over-regulation exists in a bureaucracy. If I had any complaint whatsoever, it's the fact that the Interstate Commerce Commission has attempted to deal with the minutiae and failed to deal with the big policy problems. . . .

I can't tell you what the Administration is going to come up with. But I do know this: that they have been two and one-half years trying to get it to us. . . .

Q. While railroads have built and maintained their own rights of way, the Federal government has substantially performed this job for highway and air and waterway carriers. One proposal reportedly under consideration by the Administration would create a roadway trust fund. How do you view this?

A. Basically I am opposed to trust funds. Trust funds in the public sector really amount to an admission that the government is not capable of running its business without somebody being a trustee or an overseer for at least that segment of its business. So that's a philosophical difference I have.

Now, we do have these other trust-fund operations and I am not necessarily opposed to some type of provision which could provide for alleviation of some of the expense of right-of-way. But in case that occurred, I think there would be a necessary change in the utilization of right-of-way. Once the government moves in and provides tax money to pay part of the burden of the operating system, it becomes then a part of the public utilization scheme . . . which would mean that you would have to provide for other carriers to utilize the track. This may be more of a solution to some of the problems at least in the East, than it would appear on the surface—and that is, to really bring some order out of a system of railroad tracks which at the moment are really no more than a continuation of the 19th century scattering of various little railroad systems. ■

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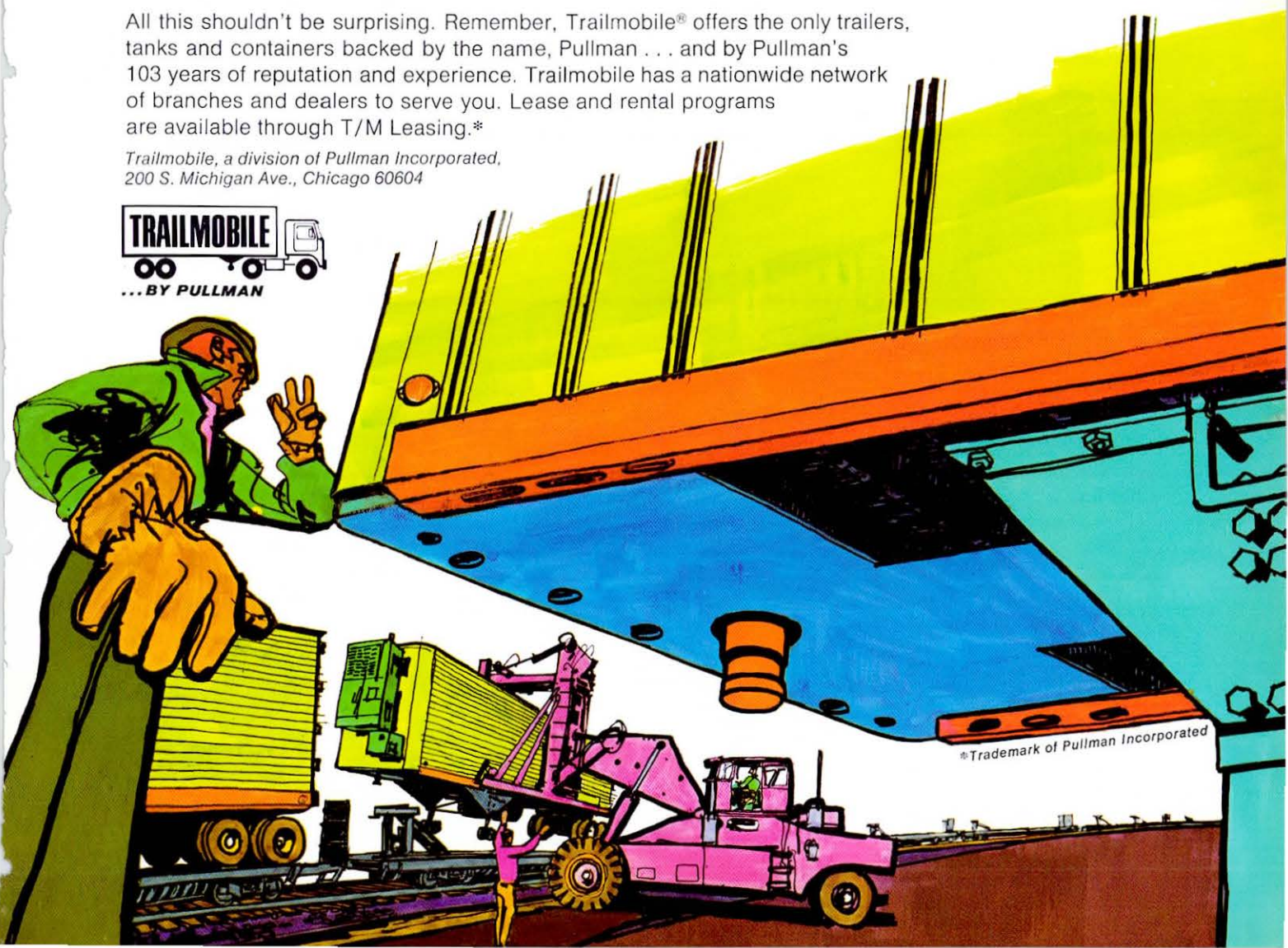

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